The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

January 21, 1939

Fessenden's Resignation

AN EDITORIAL

What is Happening in Korea?

Sun Fo to Head Kuomintang

The New Province of Sikang

BY FRANCIS C. B. CHANG

Britain Says 'No' to Japan

Masses Bear War Burdens

BY MARC T. GREENE

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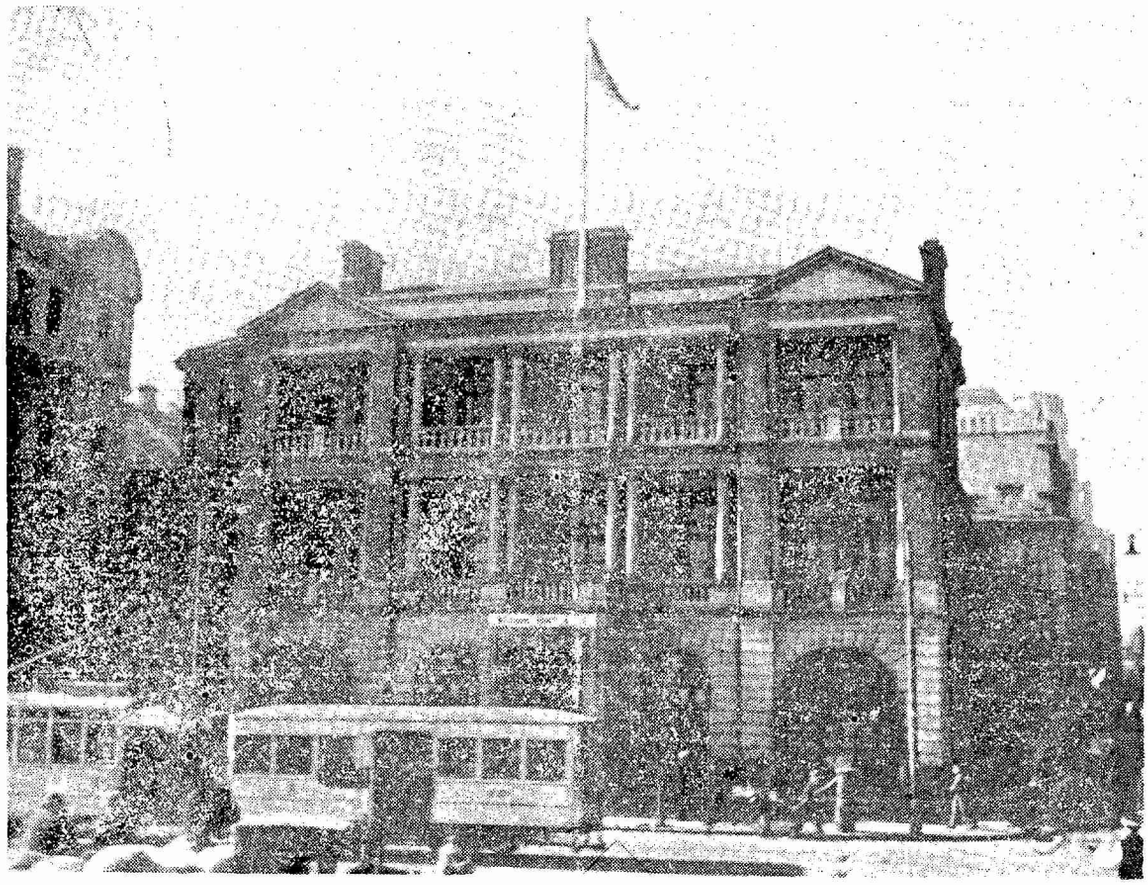

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

RICH DON'T GIVE

To The Editor:

In this time of China's resistance, all the people should practise frugality. Only thus will China be able to carry on her struggle successfully. Whether one is rich or poor, a certain sum of money should be contributed for the relief of the refugees.

Every citizen should realize the critical stage now reached in the war. It is necessary for everyone to abandon lavish and expensive pastimes and to strain their purses in every possible way. The government expects every citizen to contribute as much as possible so that the war of resistance may continue. Relief organizations, too, count upon the aid of citizens so that suffering may be alleviated.

The wealthy naturally do not like the prospect of a prolonged war. They live now no differently than before the hostilities commenced. They still live lavishly, indifferent to the sufferings of their fellow-countrymen. The activities of Shanghai's wealthy are evidence of this. Recently, the Shanghai Relief Association solicited funds through a campaign of radio broadcasts. According to reports, 95 per cent of the contributions came from laborers, merchants, etc. A spokesman of the Association is reported to have said that the names of wealthy people are scarcely to be found among the donors. Money comes only from the lowest classes.

P. H. ALFRED WANG.

Shanghai, January 9, 1939.

NEW SYNTHETIC FIBER

To The Editor:

Everyone is rejoicing over the fact that the Duponts and the Celanese corporation are bringing forth a new synthetic fiber adaptable to various textile uses but intended chiefly for the hosiery industry. It is known as the famous "Yarn 66" and is claimed to be better than silk. The Duponts are constructing a U. S. $7,000,000 plant for the production of the new fiber at Seaford, Del., while the Celanese Corporation is erecting a U.S.$10,000,000 factory at Pearlsburg, Va. Hosiery producers here say that this will eat deeply into the raw silk trade with the United States and is certain to cause a serious upheaval in the economic position of Japan through the loss of its huge raw silk trade with America.

B. J.

New York City, Dec. 10, 1938.

VOICE FROM AUSTRALIA

To The Editor:

I have the pleasure to state that I just received from a friend, my first copy of **The China Weekly Review.** It was your issue of Nov. 19, which contained valuable information dealing with Sino-Japanese affairs. It seems to me that this publication contains the most valuable information regarding the present crisis in China. I hope that you will accept me as a subscriber to your paper, beginning with your first issue of August last. Draft is enclosed.

T. C. F.

Home Hill,
North Queensland,
Australia, Dec. 30, 1938.

'NEW ORDER' IN CANTON

To The Editor:

On December 22, I walked on Yat Tak Road from Yan Tsai Road to Hoi Chue Road, and there turned North for one block. These two blocks were crowded with men. Some were eating at tables on the side walks. These streets were formerly noted for the numerous rice shops, pharmacies and offices of doctors and dentists. It appeared that not a single one of the former occupants had returned. Instead there were numerous opium dens.

Gambling of every description was going on. In some cases shops had been forced open, but many gamblers were seated at tables on the side walk. A few shops were open as tea shops and cheap restaurants. A careful study of the district revealed the following: 68 Fan tan Shops (for large and small stakes), 22 Shik Poot (game with 6 dice), 30 Saam Kwan (game with 3 dice), 19 Poker, 13 Shap Ye Wai, 22 Paai Kau, 6 Ue Ha Haai.

Thus there were seven varieties of gambling houses and stalls making a total of 180 places. These were all found in a walk of about one kilometer along Wai Fuk Lo, Hoi Chue Lo, Yat Tak Lo and the Square in front of the French Cathedral.

In addition, opium dens in full operation were noted on the same streets to the number of 29. Entering one of the divans I discovered five victims smoking.

"FACTS"

CANTON,
December 26, 1938.

YARNELL MUST STAY

To The Editor:

I wonder if you have seen the following paragraph which appeared in Newsweek, Dec. 19, Page 7:

"Admiral Yarnell, in charge of the Asiatic Fleet, has made repeated requests to be relieved, only to have them rejected because Hull considers him indispensable to U. S. diplomacy in the Far East."

P.

Shanghai, January 15, 1939.

THE CHINA WEEKLY REVIEW

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Index for January 21, 1939

Editorial Paragraphs

China-Burma Road Is Successful Military Highway 227
Japan's "Cultural" Drive in China to Start in 1940-1941! .. 227
U. S. Will Fortify Guam as Protection for Philippines and Hawaii 228
Fessenden's Retirement and the Future 230
Sun Fo Believed Slated to Replace Wang Ching-wei 232

Special Articles

Japanese Bombers Rain Death and Destruction on China's Cities 234
Japan Hung Up On the Hypotenuse ..*By Owen Lattimore* 235
'Axis' Powers Grow More Arrogant Following Adherence by Hungary 237
Writer Describes 'New Fourth' Tactics 238
China's Masses Bear War Burdens While Bourgeoisie Live Riotously .....*By Marc T. Greene* 240
What Is Happening in the Korean Peninsula? 241
Newly-Created Province of Sikang Said Valuable Base of Resistance .....*By Francis C. B. Chang* 242
Britain Says 'No!' To Japan's Policies in China 244
Hongkew Japanese Complain of Profiteering, Want Area Reopened 245
Chungking Defers Loan Payments As Japanese Hold Customs Receipts 246

Departments

What People Are Saying 225
Outstanding Events in the Sino-Japanese War 249
Who's Who in China 250
Men and Events 252
New Books of Interest in the Far East 255

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The China Weekly REVIEW

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CHINA-BURMA ROAD IS SUCCESSFUL MILITARY HIGHWAY

SINCE several reports, chiefly of a pessimistic tone, have been published in these columns pertaining to the new China-Burma highway, it was refreshing to note the optimistic statement of the American Ambassador to China, Nelson T. Johnson, who actually made the trip in a Ford V-8, driving all the way from Chungking to Rangoon. The Ambassador was accompanied by Major J. M. McHugh, Assistant U. S. Naval Attache, who is stationed at Chungking, and a Chinese chauffeur, according to the report from Rangoon.

While the original bridges were not strong enough to bear the traffic, they have since been strengthened and according to authoritative report the road shortly will

Elderman in the Washington, D. C. Post

"Cultural cooperation" between the two leading members of the Anti-Comintern Bloc.

be in condition for heavy service. Original pessimistic reports about the road were based largely on conditions on the Burma side of the line where construction had not kept pace with that on the Chinese side. It was said that the authorities in Burma did not expect China to be able to put the road through the mountains so quickly, hence permitted work on their end of the road to lag. This has now been corrected, according to latest report stating that the Chinese had an advantage in their construction due to the superiority and abundance of Chinese labor.

The new road is about 2,100 miles long as recorded on the speedometer from Chungking to Rangoon. It is divided into natural sections—Chungking-Kunming; Kunming-Talifu; Talifu-Lashio; Lashio-Rangoon. The entire trip from Chungking to Rangoon can be made in 16 to 17 days. The highest point on the road is 8,600 feet at the pass east of Talifu, which is just beyond the Yunnan-Burma border. At the Salween River crossing the road drops to 2,600 feet, but quickly ascends again to 7,800 feet which is the average elevation for a considerable portion of the way.

Since the road passes through tropical and subtropical mountainous country it is one of the most interesting thoroughfares in the world. The portion of the road which passes through the Shan States is dry, but other sections pass through areas subject to heavy rainfall in the wet season.

Munition shipments probably will go by rail from Rangoon to Lashio whence they will be transported by truck to points on the Chinese side of the line—or they will go by river steamer up the Irawaddy to Mandalay and then by rail and motor truck to destinations in China. Large quantities of munitions, chiefly from the U.S.S.R. are already moving forward over the new road. A shipment of American airplanes and machineguns arrived at Rangoon on Jan. 17.

JAPAN'S "CULTURAL" DRIVE IN CHINA TO START IN 1940-1941 !

THE deans of a dozen Japanese colleges and universities held a conference in Tokyo on Jan. 17 for the purpose of discussing the question of "cultural" cooperation between Japan and China.

The meeting was called by the Minister of Education, the fire-brand Gen. Sadao Araki, who was brought into the Cabinet for the purpose of spreading his ideas of Japanese world conquest among Japanese school children. The college and university deans held their meeting in the Ministry of Education.

According to *Domei* it was decided to initiate the campaign for Sino-Japanese cultural cooperation in 1940-1941—after the conclusion of the war ? ? ? Three matters were decided upon:

1.—Exchange of large numbers of students and professors between Japan and China.

2.—Establishment of research institutes in Japan for the study of China and its problems.

3.—Assimulation of Chinese students in Japan by providing accommodations for them in the regular college dormitories—which was never done in the past.

Aside from the foregoing mild indication of a move to reestablish normal relations with China on the part of non-military elements in Japan, a *Domei* report on Jan. 17 said that Japan's reply to the Anglo-American

notes would include as one of her "cardinal principles" the adoption, on the part of the Powers of a proposal for "racial equality," otherwise the lifting of barriers against residence and travel by members of designated racial groups. Accompanying this, according to *Domei*, would be a stipulation that the Powers "should abandon the concept that China is a semi-colony." The report claimed that Japan "should (would?) be willing to participate in a conference with Britain and the United States, if these countries would agree to the Japanese principles as a basis of discussion." Aside from racial equality the other principles mentioned by *Domei* were freedom of trade and a fair and equitable distribution of resources.

U. S. Will Fortify Guam as Protection for Philippines and Hawaii

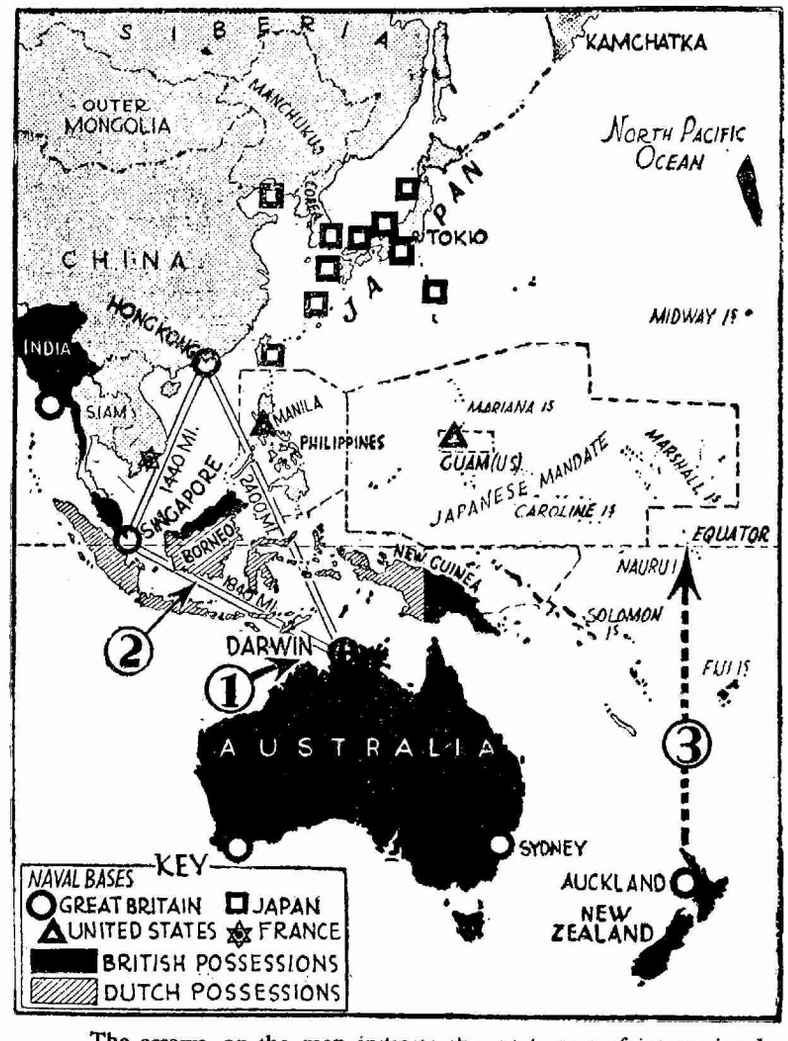
WHILE the controlled press of Japan has stirred up a commotion over the latest British note concerning Nipponese military activities in China, Japan's deepest concern is centered on the plan of the United States to fortify, or, strictly speaking, resume the construction of fortifications on the Island of Guam. None of the newspapers, in reporting the recommendation of Rear Admiral Arthur Hepburn, apparently were aware of the fact that work on the fortification of Guam had progressed considerably prior to the Washington Arms Conference in 1921-1922.

The decision of the U. S. Government to discontinue the Guam fortifications was made at the Arms Limitation Conference and was incorporated into several of the treaties pertaining to limitation of naval armament. Article XIX of the Treaty between the United States, British Empire, France, Italy, and Japan limiting Naval armament, bound the Powers to maintain the status quo, "with regard to fortifications and naval bases in their insular possessions."

To show its good faith the U. S. Government not only discontinued work on the Guam fortifications, but actually dismantled and removed the guns which had already been installed. The same applied to plans which had progressed considerably to establish a naval aviation station at Guam, and nothing more was done in that regard until recently when a landing station was constructed for the Trans-Pacific Clipper planes of the Pan-American service operated between San Francisco and Hongkong.

An inspection of the accompanying sketch map will show the significance of Guam as a fortified base, or rather "advance fleet base," to serve as a projection point for the defense of Hawaii and to render the Philippines immune from attack." Admiral Hepburn's report (*United Press* Jan. 16) said that the establishment of the base at Guam "would facilitate American naval operations in the far Pacific." President Roosevelt also referred to the fortification of Guam in his message to Congress last week wherein he recommended an initial expenditure of U. S. $44,000,000 to begin construction work on 15 sites most favored by the Navy. Guam was referred to as one of the most "urgent" cases.

There will naturally be opposition to the proposal, but it has the support of the naval affairs committees of both houses of Congress as well as the President and Navy Departmental heads. Probably the best reply to the opponents will be a recommendation to peruse the minutes of the proceedings of the Arms Limitation Conference at Washington in 1921-1922. The minutes show that the decision of the American Government to discontinue fortifications on Guam was made following Japan's promise to abide by the terms of the Open Door and her agreement to sign the Nine-Power Treaty guaranteeing the territorial and administrative integrity of the Republic of China. The British Government also followed a similar course with respect to its fortifications at Hongkong, work on which was discontinued at the same time.



The arrows on the map indicate the vital areas of international influence in the Pacific (1) Darwin, Australia where a new naval base is in process of constructed as protection against Japan. (2) The British Hongkong-Darwin-Singapore Defense Triangle. (3) Equator Line which New Zealand declares must be the limit of Japanese expansion southward. The strategic location of Guam with respect to Hawaii and the Philippines is indicated. The map was reproduced from the *Chicago Tribune*.

But Japan did not "play the game," with regard to its activities in China. The Japanese also scrapped the Naval limitation treaty and the Nipponese are generally thought to have violated their commitments not to fortify the Mandated Islands which they had taken over from Germany at the beginning of the World War. It is known that the Japanese had constructed extensive harbor-works in the Caroline and Marshall Islands, but

of more significance was the action of the Japanese Navy in developing a strong base at Makong which is located in the Pescadores Islands which command the international sea route through the Formosan Strait. Japan's occupation of Canton as the beginning of her advertised "southward expansion policy" was made possible by the construction of the naval base at Makong, built in open violation of the Washington Treaty.

Some idea of the locational significance of Guam in the strategy of the West Pacific is provided by the following figures indicating approximate distances:

Guam is approximately 1,800 miles southeast of Shanghai.
Guam is about 1,800 miles southeast of Hongkong.
Guam is about 2,700 miles northeast of Singapore.
Guam is about 1,500 miles directly north of Australia.
Guam is about 1,500 miles directly south of Yokohama.
Guam is about 1,400 miles directly east of Manila.
Guam is one of the main links in the San Francisco-Honolulu-Wake-Midway-Guam-Manila-Hongkong Clipper Plane air-route.

The Island of Guam is the largest and most populous of the Ladrone or Mariana group. It has about 20,000 people, including some 400 foreigners exclusive of the small U. S. Naval force stationed on the island. It is about 30 miles long with an average width of 6½ miles with an area of 207 square miles. Much of the surface is a plateau ranging from 300 to 600 feet in height. Mt. Santa Rosa, the highest elevation in the north, is 840 feet above sea level. Much of the east and west coasts are abrupt cliffs. Mt. Jumullong Mangloc, highest peak near the center is 1,274 feet. There are five small rivers. Apia on the middle-west coast is the only good harbor, with a depth of 4-27 fathoms. There is abundant game and fish and considerable good timber. There is also considerable coal. The soil is rich and produces cocoanuts, rice, sugar, coffee and cacao. The natives are of Chamorro or Indonesian stock liberally mixed with Philippine Tagals and Spanish. Speech is Malay, mixed with Tagal and Spanish. Public schools established in 1908 are well attended. The capital is at Agana where the Governor, a U. S. Naval officer, resides. Aside from the island's importance as a link in the Clipper Plane service to the Far East, Guam is also a vital link in the Pacific cable and radio services connecting the U. S. with the Philippines, China and Japan. Guam was discovered by Magellan in 1521, was occupied by Spain in 1688, was captured by the U. S. cruiser Charleston and was definitely ceded to the United States by the Treaty of Paris, signed Dec. 10, 1898.

***

Aside from the developments at Guam, which include the creation of a powerful naval air-station as well as naval base, and the plan to construct 41 new naval bases altogether, most of which are in the Pacific, there were other developments in Washington which are of special interest in China. According to the detailed *United Press* report which was published exclusively in the British *North-China Daily News*, the Naval Bill will be introduced by Democratic Representative Carl Vinson, Chairman of the House Naval Affairs Committee. Mr. Vinson was the author of the 1938 Naval Appropriation Bill which provided for a 20 percent increase in the strength of the U. S. Navy. In addition the Army Bill, which will be introduced by Andrew J. May, Democratic Representatives from Kentucky and Chairman of the House Military Affairs Committee will provide for:

1. Immediate authorization of at least $300,000,000 to raise the Army air force to a minimum strength of 3,000 planes.

2. Immediate appropriation of $110,000,000 called for by President Roosevelt for Army anti-aircraft batteries and other "critical" necessities.

3. Immediate appropriation of $32,000,000 to provide the Army funds for placing "educational orders" with heavy industry for the manufacture of military necessities in ordinary commercial factories.

4. Immediate authorization of $10,000,000 for the training of 20,000 civilian pilots to form a strong reserve corps for the Army and Navy air forces in war.

A further measure, which will bring joy to millions of sorely-harassed Chinese peasants who have had their homes and properties bombed out of existance by Japanese aviators, is a bill to prevent shipment of scrap-iron and other basic war materials to Japan and other aggressor nations. It was reported that all aviation concerns in the United States, with one exception, had already agreed voluntarily to cease selling planes or parts to Japan in response to a suggestion from the Department of State. The bill to restrict the sale of scrap iron to Japan will be introduced by Senator Lewis Schwellenbach, Democrat of the State of Washington. A similar bill will be introduced in the House by Republican Representative Fred Crawford of Michigan. Senator Gerald Nye, Republican of North Dakota, chairman of the Senate Munitions Committee, has indicated his approval of the measures.

Globe Wireless Not Owned by Dollar Company

A statement appeared in *The Review* on Jan. 14 to the effect that Globe Wireless, which is now operating an uncensored radio service between Shanghai and San Francisco, was previously owned by the Robert Dollar Company. The statement appeared in connection with a report that the new Japanese radio concern—Central China Telecommunications Company—had protested against the operation of Globe Wireless, Ltd., which is American owned and operated. The Japanese concern, which is a private enterprise, was formed by the Japanese military authorities to operate Chinese radio and telegraph services which had been seized by the Japanese Army. The Japanese Company has its office in the premises formerly occupied by the Chinese Government Radio Administration in Sassoon House and is operating the large C. G. R. A. plant at Chenju, which was built and equipped largely by Radio Corporation of America.

According to officials of Globe Wireless, the recent Japanese complaint against the American company did not come from the Japanese company but from the Japanese Consulate-General. The Japanese Central China Telecommunications Company asserted, through its officials, that it was not aware of the protest. The Globe Company's office here is operated under a license from the National Government of China, while the stations of the company in the United States operate under license by the Federal Communications Commission at Washington. As to the relationship between Globe Wireless and the now defunct Dollar Steamship Company, there is said to be none. Confusion as to the ownership of Globe Wireless apparently was due to the fact that N.D. Brown previously represented both companies and some of the stockholders of Globe Wireless are, or were, also connected with the Dollar Co.

The previous relationship of the two concerns is explained by the following facts: In 1929 the Robert Dollar Company negotiated a traffic agreement with the Chinese Government whereby messages of the company could be handled over a radio station established in Shanghai for this particular purpose. In 1932 this agreement was amended to include paid public service messages between Shanghai station and ships at sea; not only ships of the Dollar Company, but other lines and nationalities as well. In other words a public ship-to-shore and shore-to-ship service. By means of a traffic agreement signed in San Francisco between the Robert Dollar Company and Globe Wireless, Ltd., this Shanghai station was permitted to communicate with the Honolulu Station of Globe Wireless, Ltd., for the handling of the business of the Robert Dollar Company and also the traffic of affiliated concerns. This station is still in operation and is functioning in exactly the same manner as it has for the past several years.

Globe Wireless, Ltd., has for many years been negotiating with the Chinese Government for a traffic agreement similar to that of the Mackay Radio Company and Radio Corporation of America. The present license, under which Globe is now operating is the outcome of many years of effort. The offices, transmitting and control stations, all equipment and personnel, are entirely separate from the Robert Dollar Company radio station and there is no connection in any way between the two organizations.

Fessenden's Retirement and the Future

STIRLING Fessenden, who has had a longer connection with the executive department of the Municipal Government of the International Settlement than any other foreigner, has announced his resignation.

Mr. Fessenden's resignation will become effective on June 30, following which he plans to take a brief trip to the United States, returning to Shanghai in the early autumn. He will then resume the practice of law which he gave up in April, 1929 when he was appointed Director-General of the Council, a position somewhat resembling that of "city manager" in the United States.

Mr. Fessenden's successor will be G. Godfrey Phillips who will combine the two offices of Secretary and Commissioner-General. In combining the two positions and appointing a Briton to succeed Mr. Fessenden, the Council bows to long criticism that the Secretary-General was "overpaid."

Stirling Fessenden, LL.D.
Secretary-General, International Settlement

But any joy which the long-suffering tax-payers (renters pay the taxes here) may have experienced at the prospect of reductions resulting from Mr. Fessenden's resignation, was quickly changed to gloom as a result of the most glaring attempt by British departmental executives to raid the treasury which the city has experienced in many years. As a matter of fact Fessenden's salary, when converted to foreign currency, only figures out at U. S. $500 a month or $6,000 a year. Most cities in the U. S. which have city managers pay salaries ranging from $18,000 to $25,000 a year.

Regardless of the merits or otherwise, of the attempted "salary grab," coming so soon after the announcement of Fessenden's resignation, the combination of the two developments has had a more depressing effect on the mentality of the public than anything which has happened since the beginning of the Japanese war. Most foreigners here are convinced that if they were not interfered with by the home governments they could "lick," out-maneuver, or at least bribe the Japanese. But they are sincerely worried at the seeming evidence of deterioration on the part of the foreign, that is, British administration. This apparently is the most serious element in the local administration, not even excluding the Japanese occupation of Hongkew.

Everyone is aware that secret conversations have been in progress between municipal officials and the Japanese for a long time. A few days ago one of the papers printed an item stating that the Chairman of the Council, C. S. Franklin (American) had paid a visit to Mayor Fu Siao-en of the local "Ta-Tao" Chinese administration. Is Mr. Franklin performing a Shanghai conception of Neville Chamberlain's "Lambeth walk" to Munich? It was reported that his visit was concerned with the situation of lawlessness which has developed in the "no-man's-land" along the western border of the Settlement, but there has been no public announcement.

The resignation of Mr. Fessenden has had the effect of bringing all of the unanswered questions about the future of the foreign settlement to a head. Although the Powers, that is America, Britain and France, have told the Japanese—and the Japanese have acquiesced—that there is to be no forceful interference with the Settlement "until the war is over," the public feels apprehensive about the future. It is not quite correct to say that almost everyone keeps his suitcase packed, but a situation somewhat resembling that situation prevails.

The residents of Shanghai (including those in the French Concession) want to know what is going to happen—

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1.—IF THE JAPANESE STAY. . . .
2.—IF THE JAPANESE GET OUT . . . .

*

There is a general realization that Shanghai represents the key to the whole question of so-called foreign "rights" in China. If the Japanese Army should remain as the dominant force in Chinese affairs and the controllers of the territory surrounding the foreign-administered areas, then the Settlement authorities will be compelled to compromise with the Japanese warlords and their puppets (Japanese as well as Chinese). But, if the Chinese "come back," as most intelligent persons realize they will, then there is a likelihood that the question of China's sovereign rights will become more acute than it has been in the past.

So far as the local Japanese population is concerned its political and economic strength actually has declined since the beginning of the war. Due to the Japanese military restrictions in Hongkew, the voting strength (based on a property-ownership or rental franchise) has greatly declined since the beginning of the invasion. The great mass of Japanese merchants are unable to pay taxes sufficient to vote in municipal elections. Also, and this is not generally known "south of the creek," the chief sufferers from Japanese military control of Hongkew, are the Japanese retail merchants who are barred from thousands of potential customers residing on this side of Soochow Creek. While the Japanese guards on Garden Bridge make the foreigners "cuss," the Japanese probably would use even worse profanity if their language possessed the terms. Unfortunately the Japanese language only has one profane word and a mild one at that!

The so-called Hongkew problem, involving the return of that section to the administration of the Municipal Council, is a direct result of the deadlock prevailing in the relations of the Settlement authorities and the Japanese-controlled "Ta-Tao" administration headed by "Mayor" Fu Siao-en. The Japanese insist upon a recognition of their proteges, which the foreigners are not in a position to grant. Therefore the Japanese retaliate by holding Hongkew and maintaining their armed guards on the bridges across the creek. Actually, the Japanese suffer more than the foreigners because they lose much business which their poverty-stricken merchants need. Also, they are the chief victims of epidemics which break out in Hongkew due to the filth and insanitation resulting from the inability of the Settlement to put into effect its normal sanitary measures.

We are sure the foreigners will feel better about saluting the Japanese sentries after they learn that the Japanese are injuring themselves more than they are the foreigners.

But to get back to Stirling Fessenden, LL.D. and

the reasons for his resignation.

Recently when the Secretary-General (previously called Director-General) was asked the reason for his resignation he replied that he was nearing 65 years of age and desired to "step aside for younger men." One wonders whether this was the real reason, or whether it was due to something else—more serious although unstated. Was it due to the deadlock with the Japanese and the prospect of being compelled to accept compromises which the Secretary-General refused to make?

Mr. Fessenden's connection with the local government began 19 years ago when he was elected a member of the Municipal Council. In October, 1923 he was made Chairman of the Council and held that position to April, 1929. He then became Director-General and was paid the highest salary of any official of the local government.

The reason for this involves an explanation of the problems affecting the status of the Settlement which prevailed a decade and more ago. There had been the civil wars of 1924, the anti-Japanese developments culminating in the May 30 incidents of 1925, to be followed immediately by even more serious anti-British developments on the part of the Chinese population. Then there was the Nationalist Revolution of 1927 which brought problems international in their repercussions. The International Settlement had been seriously affected by these developments, so much so in fact, that the city was "investigated" by at least two international commissions. The authorities of the Settlement were publicly reprimanded by at least two foreign governments and on one occasion the Diplomatic Corps almost succeeded in dissolving the Municipal Council and creating a new administration that would have been directly responsible to the Powers—instead of being responsible to the ratepayers—as is (theoretically) the situation at present!

While some of the Settlement's troubles which were acute then, are still unsolved, the more serious of them either had been solved or were in process of solution, when the Japanese Army stepped in and "wrecked everything." That Mr. Fessenden, directly and indirectly, had much to do in solving these problems is generally realized. The fact that the public generally had ceased to worry itself about such issues as Chinese representation on the Council, outside roads, local courts, and such issues, constitutes the best possible testimonial to Fessenden's activities and resourcefulness. Fessenden's long experience, first as a merchant and later as a practicing attorney, plus his extensive acquaintanceship with Chinese and foreign leaders, contributed largely to his success.

Although not generally known, Stirling Fessenden comes from a Yankee family rich in politically consciousness. One uncle served in the cabinet of Abraham Lincoln through the American Civil War.

Mr. Fessenden was born at the little town of Fort Fairfield, Maine, "so near the Canadian border"—as he delights in telling British audiences—"that he couldn't see whether he was under the American or the British flag." He received his early education in private and public schools and then attended Bowdoin College, one of the oldest and best known of New England educational institutions. He then went to New York and studied law at the New York Law School, following which he joined the American Trading Company and was sent to Shanghai, arriving here in 1903, in the disturbed era following the Boxer Rebellion. In 1905 he formed a law partnership with Thos. R. Jernigan, who had previously served as Consul-General in Japan and at Shanghai. Later, upon the death of Mr. Jernigan, Fessenden continued the law partnership with Major C. P. Holcomb, who had served as U. S. District Attorney.

Once a member of Fessenden's law firm embezzled a large sum of money involved in a compradore agreement which had been negotiated in the office of the law-firm. Although Mr. Fessenden was not legally liable, he voluntarily assumed full responsibility and gradually paid off the large debt, an act which endeared him to members of his profession and the few foreigners who were aware of what had happened. So far as the writer is aware this is the first time that anything was ever printed about the incident.

If Fessenden had been a British subject, he would have been given a "Sir" in front of his name and many initials after it. He was awarded an honorary degree by his college in 1932 and has been the recipient of many expressions of gratitude and appreciation by the assembled voters (called rate-payers here). In 1929 he was the Council's representative at the conference of the Institute of Pacific Relations, held at Kobe, Japan. Aside from service in bringing about better working relations between the Chinese and foreigners, generally, he also assisted materially in improving the relations of the International Settlement and the French Concession—for which he was publicly thanked and congratulated by the Chairman of the French Concession.

Prior to Mr. Fessenden's appointment as chief public official of the Settlement Administration, the main complaint had been that the Settlement lacked a responsible official who could discuss questions. Once the members of a delegation of prominent Chinese bankers who had called on the Secretary, were so incensed at the lecturing they received that they walked out of the secretary's office and straightaway financed an anti-British boycott. After Fessenden was appointed he put a stop that sort of bigotry (or asininity) and was always available, frank and sympathetic, when anyone had a complaint. Fessenden also was available when reporters wanted to find out what was going on and he frequently appeared before local organizations for frank—and confidential—talks about local problems.

Many Americans regarded Fessenden as "too pro-British," a charge which he never denied, but which he always followed up with the explanation that he realized what national interest was politically, financially and economically dominant here. He also realized the general disinclination of Americans to assume responsibilities which the potentialities of their trade, and political-economic strength entitled them to assume. While he was a constant advocate of Anglo-American cooperation, he also urged those in positions of responsibility to put aside their national prejudices in the common good—of the city.

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Probably the best book dealing with the problem of Shanghai was that written by Prof. William Crane Johnstone, Jr., of George Washington University (Stanford University Press, 1937). In his final chapter Prof. Johnstone made the following observations: Shanghai became one of the world's largest ports and the economic capital of China because of two main factors—location and security. For over 75 years the two foreign settlements have existed with an indefinite legal basis under rules and regulations long out of date. The development of the two settlements has been closely interrelated and the relations of the settlements to the system of extraterritoriality is important. The existence of the settlements is so closely bound up with the system of extraterritoriality that the two problems must inevitably be considered together.

After reviewing past efforts—termed piece-meal solutions of particular problems—and without suggesting a solution, Prof. Johnstone said that the Shanghai problem might be solved by international conference or by the appointment of an international commission of experts. He then made this prophetic statement: "There remains, finally, resort to the use of force as a means of solution—by a strong Chinese Government able to establish its full sovereignty in Shanghai, or the use of force by a group of Powers or a single Power in gaining the acceptance of the Chinese Government of a new plan for the status of Shanghai." The success of such a plan, on the part of the Powers, in his opinion did not appear likely due to the lack of interrelation of European and Far Eastern politics,

Sun Fo Believed Slated to Replace Wang Ching-wei

POLITICAL interest heightens in both Chinese and foreign circles with the opening this week of the 5th plenary session of the Central Executive Committee of the Kuomintang at Chungking. Great importance is being attached to the session, especially in view of the fact that the defection of Wang Ching-wei necessitates a readjustment in the personnel of the Kuomintang and the Government.

Although no official information is as yet available, it is expected that all the posts vacated by Wang and his associates will be filled by new appointees at the session. Sun Fo, president of the Legislative Yuan and strong advocate of Sino-Soviet collaboration, is prominently mentioned as the candidate for the post of Deputy Chief Executive of the Kuomintang in succession to Wang, while Gen. Chang Chun, vice-president of the Executive Yuan, will be appointed president of the People's Political Council. Chou En-lai, well-known Communist leader, is slated for the post of secretary-general of the Military Affairs Commission, and Gen. Chen Cheng, trusted lieutenant of Gen. Chiang Kai-shek and director of the Political Department of the Military Affairs Commission, will be entrusted with still more important duties.

Chungking continues to be flooded with telegrams supporting the action of the Party and the Government in expelling Wang Ching-wei from all his posts and demanding his arrest and punishment. Among those who telegraphed the Government are included the following military leaders: Gen. Sheng Shih-tsai, Border Defence Commissioner for Sinkiang (Chinese Turkestan); Gen. Sung Cheh-yuan, former commander of the 29th Army; Gen. Chu Shao-liang, chairman of Kansu; Gen. Chiang Ting-wen, Pacification Commissioner of Shensi; Gen. Ku Chu-tung, commander of Chinese forces in Kiangsu, Chekiang and Anhwei provinces; Gen. Cheng Chien, commander of Chinese forces on the Peiping-Hankow Railway; Gen. Liu Shih, commander of Chinese forces in west Hupeh; Gen. Chang Chih-chung, chairman of Hunan; and Gen. Yen Hsi-shan, commander of Chinese forces in Shansi.

Wang Still in Hanoi

Wang apparently is still at Hanoi, but his activities and intentions remain a mystery. Speaking on behalf of Wang, Tseng Chung-min, his chief henchman, declared in an interview with a *Domei* correspondent that Wang advocated a "heart-to-heart talk" between China and Japan. Tseng denied that Wang left Chungking without the knowledge of Gen. Chiang Kai-shek and the government. He claimed that Wang had two serious discussions with Gen. Chiang on the question of peace prior to his departure, but realizing that their divergence of opinion was such that it could not be surmounted, Wang openly left the Kuomintang capital. Tseng doubted the Japanese report from Hongkong that Gen. Chiang Kai-shek was sending T. V. Soong, chairman of the board of directors of the Bank of China, to Hanoi to persuade Wang to go abroad. However, Tseng intimated that Wang might shortly leave for Europe but would not visit Japan.

Indication that Wang Ching-wei is plotting to launch peace negotiations with Japan was provided in a dispatch by the Hongkong correspondent of the Tokyo *Nichi-Nichi*, alleging that Wang is maneuvering for support among Chinese military leaders. According to the correspondent, Wang will seek to initiate negotiations with Japan on the basis of the following points: 1. Stout opposition to Communism; 2. Conclusion of an anti-Comintern Pact between China and Japan; 3. China's co-operation with Germany and Italy; and 4. Close co-operation between China and Japan in political, economic and cultural fields. For the purpose of promoting and guiding the "peace" movement, Wang's trusted followers are said to have set up offices at Hongkong.

In full accord with the Japanese press, the *Japan Advertizer*, nominally American-owned and edited newspaper at Tokyo, commended Wang Ching-wei for his moral courage and realistic appraisal of the Sino-Japanese situation as manifested in the two statements which he has issued since his departure from Chungking. In the opinion of the journal, the fact that Wang broke away from Gen. Chiang Kai-shek and favored the conclusion of an early peace marked a definite split in Kuomintang government circles.

Commenting on Wang's remark that foreign assistance to China was "by no

Sun Fo

means sufficient" to have any effect on the outcome of the war, the *Advertizer* said, "China cannot count on securing a military victory against Japan by virtue of foreign assistance at this stage of the conflict, but he is a bold man who dares to come forward in war time and tell his people that all their efforts at resistance are in vain."

Finally, the journal asserted that had Wang Ching-wei's reply to Prince Konoye's statement been supported by the Kuomintang, it would not have found entire favor in Japan, for, according to its interpretation, the peace proposals put forward by the former Japanese premier were not addressed to the Kuomintang, but directed to the puppet Chinese regimes which the Japanese had established in their occupied areas in China.

Sun Fo's Revelations

Significant revelations were made by Sun Fo, president of the Legislative Yuan, who visited Moscow twice last year on important missions of the National Government, in regard to Sino-Soviet relations. Mr. Sun stated that when the former Soviet Ambassador to China, M. Bogomoloff, returned to China from Moscow prior to the outbreak of the Lukouchiao incident, he submitted three proposals to the Chinese Government. These, he said, were as follows: That China should propose a convocation of a Pacific Peace Conference; that China and Russia should sign a non-aggression pact and that China and Russia should sign a mutual assistance pact.

According to Mr. Sun, the Chinese Government, after careful consideration, came to the conclusion that the proposed Pacific Peace Conference would not be effective, since "Japan would not participate." The Sino-Soviet Non-Aggression Pact was concluded in August, 1937. Negotiations for a Sino-Soviet mutual assistance pact were not opened after the outbreak of the hostilities. The conclusion of such a pact prior to the Lukouchiao incident might have prevented war, but its conclusion at this moment would immediately oblige Russia to go to war against Japan. With European tension on the increase during the past year, Mr. Sun explained, Russia was unable to go to war on both fronts, and was forced to adopt a less positive policy in the Far East, restricting her aid to China to merely moral, diplomatic and material assistance.

Three Conditions

Mr. Sun expressed the view that "Russia would agree to go to war against Japan on the following three conditions:"

Firstly, that the League of Nations enforced sanctions against Japan, and then Russia, as a member of the League, would carry out her obligations;

Secondly, if the League failed to enforce sanctions, then a common understanding must be reached between Britian, America, France and Russia for joint action against Japan;

Thirdly, if the Powers failed to reach an understanding, then Russia could go to war against Japan only if Japan invaded Soviet territory.

Concerning the outcome of the hostilities, Mr. Sun was highly optimistic, convinced of an ultimate Chinese victory. He said that the total strength of the Chinese army at the time of the Lukouchiao incident was only 1,000,000 men, but "its present strength has been increased to 240 divisions." In the fighting around Shanghai, he stated, Chinese and Japanese casualties were in a ratio of five to one respectively; in the fighting in the Yangtsze valley, the radio was nearly equal, while in the North China guerilla warfare, the ratio was becoming one to three in favor of the Chinese.

Commenting on Mr. Sun's remarks, political circles in Tokyo expressed belief in the existence of a military agreement between China and Russia. They asserted that they had long suspected the existence of such a pact and hence the news came as no surprise. A psokesman of the Foreign Office declared that according to information reaching Tokyo, there was a growing movement from the right to the left in the Kuomintang. The Nationalist Party, he claimed, formerly consisted of two groups: the pacifists led by Wang Ching-wei and the war party led by Sun Fo and Gen. Feng Yu-hsiang. Gen. Chiang Kai-shek has successfully manitained a balance between these two groups, but now the pacifists are alleged to be gaining in number and influence.

Provincial Readjustments

In order to meet the requirements of the campaign of prolonged resistance, the National Government are devising measures for the improvement and readjustment of the system of provincial administration. The chairmen of the provincial governments in the war zones will be entrusted with both political and military responsibilities during the continuance of the hostilities and their status will be elevated to the rank of special appointment. Better treatment will also be accorded to magistrates.

The Ministry of Finance is understood to have drawn up a two-year plan of financial readjustment, for submission to the 5th plenary session of the Central Executive Committee.

Despite the 18 months' fighting, China's financial position remains sound, declared a spokesman of the Finance Ministry. He revealed that friendly foreign governments had recently offered to supply China with

cash loans, but the Chinese government had no need at the present for special financial facilities.

To facilitate the campaign of resistance, the government has decided to create three war zones in the south-west and north-west, stretching from Inner Mongolia to Kwangsi. Two special guerilla zones will also be created in regions partially under Japanese occupation.

Addressing the Nankai University at Chungking, of which he was formerly a student, Chou En-lai, well-known communist leader, declared that after the conclusion of the war of resistance, there will be no more internecine strife in China. Mr. Chou expressed implicit confidence in the ultimate success of the campaign of resistance and said that the entire country is fighting for the preservation of the national existence, regardless of differences in political creeds. Evidencing the spirit of national solidarity, all political parties, he added, are participating in the campaign and are strictly observing the Three People's Principles. Under the leadership of the Kuomintang and the guidance of the supreme leader (General Chiang Kai-shek) the masses of the population are rising as one man, resisting the Japanese invaders.

Kwangtung Changes

Important changes in the political and military administrations of Kwangtung province, including the abolition of the headquarters of the Pacification Commissioner, which post has been held by Gen. Yu Han-mou, are to take place shortly. The Military

Gen. Yu Han-mou

Affairs Commission of Kwangtung will hereafter be placed under the complete control of Gen. Chang Fah-kwei, commander-in-chief of Chinese Forces in Kwangtung, with Gen. Yu Han-mou as deputy commander.

A Land and Water Transportation Committee has been established at Chungking, with T. L. Soong (brother of T. V. Soong) as chairman and Lu Tso-fu, vice-minister of communications, as vice-chairman.

In view of the strategic importance of Kweichow province during the campaign of resistance, the National Government has decided to prohibit foreign travellers from entering Kweichow for a period of six months, beginning from January 1, according to an official announcement by the Ministry of Foreign Affairs.

League Council Opens

Chinese interest in the League of Nations was revived with the opening on Monday of the 104th session of the League Council at Geneva. While China has submitted no new appeal, the Council will be urged to take more concrete action in supplementing its resolution on sanctions against Japan adopted at its session last September.

Urging positive help to China, the *Ta Kung Pao* at Chungking made three suggestions to the League:—1. Economic and financial assistance to China; 2. No further supply or transportation of munitions and other materials to Japan; 3. Removal of all obstacles in the way of China's resistance, for example, in connection with the transit of arms through the territory of member states.

Political circles at Chungking attach considerable importance to the role which Great Britain and the United States are expected to play in the pacification of the Far Eastern situation. Emphasizing the need for prompt action by the two powers in the Far East, an official spokesman declared, "It lies in Great Britain's hands at present to decide the fate of China and the future of the Pacific." Support of China's currency, he said, was the first requisite, after which other means of positive action should follow without delay. Great Britain's prestige in China had recently risen more than her actual assistance to China warranted, and it was now for the democracies to implement their promises—especially so since America had plainly revealed that she was in favor of a strong line of action. "Don't let us see the Anglo-American debacle over Manchuria repeated," the spokesman urged.

Turning to America, the same political circles stated that the present session of Congress was most important from the viewpoint of Chinese interests. President Roosevelt, they declared, was undoubtedly in favor of the democracies adopting firm, united measures in the Far East, and also wished to revise the Neutrality Act. Opposition to his policy, however, was already showing signs of much activity.

Developments in Europe, in particular, were being watched with keenest interest at Chungking. It was considered that if a British-Italian accord completely failed, war in Europe would be inevitable, as France was not expected to yield without a struggle. A European war, Chungking circles declared, would be most unfavorable to China, since Great Britain and France must, for the time being at least, ignore the Far East.

Commenting on the international situation, the Central Daily News urged that Chinese diplomats abroad must now redouble their efforts to swing the international situation in favor of China. "They cannot afford a policy of 'wait and see'," the journal pointed out, "for international developments never happen purely by accident."

Japanese to Control Shanghai Beer Industry?

Shanghai's beer market will soon be controlled by Japanese interests, the economic editor of the *Tairiku Shimpo* predicted this week, pointing out that the former American-owned National Brewery had been placed under Japanese management, and the British-owned Union Brewery has been negotiating with a Japanese company for a transfer of ownership since the end of last year. The only remaining foreign-managed brewery will be the Ewo plant, the daily said.

In pre-hostility days, Shanghai imported an annual average of 300,000 four-dozen cases. This quantity has remained stationary up to the present time, the daily added. In the past, been has beer too expensive for the majority of Chinese. But with the development of Central China raising the Chinese standard of living, it is expected that the Chinese masses will become a market for Japanese beer, the local daily declared.

Changsha Inhabitants Face Bleak, Hard Winter

A dismal and uncertain future is faced by the inhabitants of Changsha, Hunan provincial capital, large sections of which were razed in a "Scorched Earth" fire last November, according to Dr. F. S. Hutchins, representative of the trustees of Yale-in-China, in an interview here last week.

Dr. Hutchins, who was witness to the gigantic conflagration started by the Chinese military, and who came to Shanghai recently, said that between 70,000 and 100,000 people of the poorer class had returned to Changsha since the fire. These have already suffered greatly, but still worse lies ahead in the remaining winter months, he said.

"Practically everyone was able to carry a little money with him when he fled the city and the government gave large sums for the temporary support of the destitute. But this money has now been used up." Relief work in the city is in the hands of a local international committee, while essential aid in medical work through subsidies to hospitals and the furnishing of medical supplies is being rendered by the International Red Cross. Although there have been no epidemics, Dr. Hutchins said, malaria is rampant around Changsha, while quinine is both scarce and expensive.

Eden Was an Ogre and Hitler "Spoke" Jewish

The Kansas City *Star* for Dec. 11 contained an *Associated Press* dispatch from New York referring to an incident at the time of Anthony Eden's visit to the United States, which was not cabled to this part of the world. According to the report Anthony Eden and Mrs. Eden were guests of honor at a special program at the New York Winter Garden, which was entitled, "Hellzapoppin." The show opened with a secret conference in a private room on the stage which was participated in by Adolf Hitler, Hermann Goering and Paul Goebbels. Suddenly a figure, dressed to represent Anthony Eden entered the room. Hitler was so frightened that he jumped out of a window, Goering disappeared through the ceiling and Goebbels faded through a wall.

The next act, which brought a hearty laugh from both Mr. and Mrs. Eden, was a movie in which Adolf Hitler was the central figure. All went well until Hitler began to speak in a pronounced Jewish-German accept. This convulsed the entire audience. The scene closed with the German cabinet in mad flight and Hitler refusing to see Stalin, Chamberlain and Daladier, but shouting all the time that he was afraid of no one. Finally when Eden again appeared on the scene the entire Nazi Cabinet disappeared.

The actors who took part in the show were Ole Olsen and Chic Johnson.

Szechwan-Yunnan Rail Construction Starts

Work has commenced on the construction of a railway to connect Kunming, capital of Yunnan province, with Chengtu, provincial capital of Szechwan, according to a Hongkong dispatch to the Shanghai *Morning Leader*. Costing £12,000,000 sterling, the new line will cover a distance of 325 kilometers. Upon completion, the report states, it will be linked with the French railway in Yunnan.

Japanese Bombers Rain Death and Destruction on China's Cities

DEATH and destruction rained down on Chungking last Sunday, when 20 Japanese planes carried out their first really effective raid on China's provisional capital. The air raiders were engaged by Chinese pursuit planes and met heavy anti-aircraft fire on their arrival.

According to an official announcement from Chungking, 124 persons were killed and 166 wounded, while more than 20 houses, five motor cars and 15 junks were destroyed. The raiders dropped 58 bombs over the crowded western metropolis. Japanese sources claimed that five Chinese planes were shot down in flames. Ambulance workers carried off the wounded on stretchers. Many of the victims had arms or legs blown off by exploding bombs.

"To describe the raid as an attack upon undefended civilians is not only misleading but a distortion of facts," a Japanese army spokesman said in Shanghai the following day. The Japanese bombers, he claimed, "concentrated their attack upon Chinese military establishments."

Immediately following the raid, all main roads leading out of Chungking were reported crowded with civilians seeking shelter outside the city from further raids. Since the commencement of the Sino-Japanese war, the population of Chungking has doubled, rising from approximately 300,000 to 600,000 souls. The authorities now intend to effect compulsory evacuation of part of the population, including families of officials, according to a *Transocean* report. Restrictions will also be placed on entry to the provisional capital in order to keep the population down to a minimum, it was stated.

Bombing Raids Extend

Lately extending their raiding activities over a wide area, Japanese bombers appeared Jan. 10 over Shasi, middle Yangtsze River port, and dropped two 200-pound bombs on the most crowded section of the town, completely destroying the building of the American Evangelical Lutheran Mission. As the personnel had been evacuated to Ichang, there were no casualties, but two persons were killed and nine others badly wounded in another part of the town. This was the first air raid on Shasi.

Wanhsien, another middle river port was bombed Jan. 15 by a squadron of six Japanese airplanes. More than 20 bombs were dropped, killing 50 and wounding 80 persons, including many school children. A primary school and several houses were demolished.

Six sky raiders appeared over Ichang, situated at the eastern end of the Yangtsze Gorges, the same day, but contented themselves with dropping propaganda leaflets, *Kuo Min* reported. According to a *United Press* message from Vatican City Jan. 11, Japanese bombers completely destroyed a Catholic seminary in Ichang during a raid last November in which 501 persons were killed and 55 others seriously wounded.

Tungkwan in eastern Shensi was also raided Jan. 15 by a force of 15 planes. More than 100 bombs were dropped, killing or wounding scores of civilians. On Jan. 13, some 42 bombs were dropped on Shiuchow, provisional seat of the Kwangtung Provincial Government, by a force of eight Japanese raiding planes. More than 30 civilians were killed or wounded, according to Chinese reports, while more than 60 houses were destroyed and six junks sunk. The same day, Kweiping, in southeastern Kwangsi, was bombed by nine Japanese airplanes, but the number of casualties is unknown. Kweihsien, in southern Kwangsi, was raided Jan. 15, when 18 bombs were dropped, killing a number of civilians in the business area.

A solitary raid by Chinese planes was reported by *Kuo Min* to have been carried out Jan. 14 from a secret base in Kwangtung. It was claimed that two Japanese gunboats on the Pearl River were sunk.

China's Bombers Dropped Leaflets!

Chinese aviators welcomed by Dr. H. H. Kung and other Government officials, upon their return to Hankow last year from the "bombing" expedition to Japan when Nipponese cities were showered with peace leaflets. The Chinese used three American-made Martin bombers for the raid.

Lushan Under Fire

Gunfire and bursting aerial bombs reverberated over Lushan Mountain Jan. 16 as Japanese detachments launched a new drive against 2,500 Chinese stragglers marooned near the famed Kuling summer resort, south of Kiukiang. One Japanese unit started its drive at the western side of the range at 11 o'clock in the morning in a heavy rain and by 8 o'clock at night had captured Kangkiashan Mountain, according to a Japanese field dispatch.

A general assault on the stragglers' stronghold got under way at midnight Sunday. A second Japanese detachment was battling its way up the slope of Yuchashan and Japanese Army officers predicted that the mountain would soon be taken. Army planes roared over the climbing troops and sought out the hiding places of guerillas who have been isolated in the natural fortress for several months.

Power diving to low altitudes over the Lunghai Railway between Tungkwan, on the Shensi-Shansi border, and Minchih, two squadrons of Japanese Army airplanes on Jan. 16 showered bombs with such telling effect that sections of the line were reduced to masses of wreckage and train service was disrupted, according to a Japanese military communique. Important Chinese military positions along the railway were demolished and three towns were damaged. Locomotives and freight trains at Wentichen and Minchih were blown to pieces, it was claimed.

Bellanca Planes Ordered

The New York *Herald Tribune* reported from Washington last week that the Chinese government had placed an order for 200 bombers with the Bellanca Aircraft Company. The planes are to cost U.S.$8,500,000, the report said, and delivery will be made in March. While Chungking claimed to have no knowledge of the reported order, a *United Press* message from Washington said that the purchase contract had been signed by Mr. Leonard Hsu, counsellor of the Chinese embassy in Washington, adding that proceeds of the Chinese order were to be utilized to expand the Bellanca aircraft plants to provide facilities for mass production of military aircraft.

Yarnell Leaves for Inspection on Yangtsze

Admiral Harry E. Yarnell, Commander-in-Chief of the United States Asiatic Fleet, and American Consul-General Clarence E. Gauss, left Shanghai on Wednesday for an inspection journey up the Yangtsze River.

The Admiral and Mr. Gauss sailed on the U.S.S. *Isabel*, Admiral Yarnell's private yacht. The admiral established his offices aboard the vessel when the *Augusta* left Shanghai for Manila last month.

The *Isabel* was to take Admiral Yarnell and Mr. Gauss to Wuhu, a stopover being made at Nanking. It is expected to arrive back in Shanghai on Sunday.

Despite the cloak of silence that has surrounded all plans for the trip, considerable significance is being attached to the fact that Admiral Yarnell and American Consul-General Gauss left Shanghai for a tour of the Lower Yangtsze, especially so in view of the strong American note concerning Japanese policy on the "Open Door," forwarded to Tokyo on December 30.

Japanese Civilians to Wear Uniforms

A design for a new "civilian uniform" in keeping with the new spirit in Japan was to be adopted at the fourth meeting of a special committee of the National Spiritual Mobilization Central League in Tokyo this week.

A costume suggested by Mr. Toraichi Nakada, technical expert in the service of the Ministry of the Imperial Household, at the last meeting of the committee, was expected to be approved. It is a combination of an ordinary foreign sack coat and an ancient Japanese costume.

According to this design, the proposed uniform will have a turned down collar and turned up sleeves unbuttoned, trousers with slits on both sides and seams in front and back instead of the sides. White shirts, collars and ties have no place in the proposed uniform, while Japanese underwear will be substituted for foreign styles.

Japan Hung Up On the Hypotenuse

BY OWEN LATTIMORE (*Amerasia*)

YOU can reduce the whole geography of China to a very revealing diagram by drawing two stright lines. Draw one from Shanhaikuan, where North China and Manchuria join, to Lanchow, away in the Northwest, where Kansu Province begins to reach out toward Sinkiang, or Chinese Central Asia. Draw another, also to Lanchow, from the point on the seacoast where the frontier between China and French Indo-China begins. Then imagine that the whole coast of China, which actually bulges out to the east, can be represented for the purposes of the diagram by a third straight line. The result is a right-angled triangle. The right angle lies away off in the region where China, Tibet and Central Asia approach each other. The hypotenuse, lying opposite the right angle, is the coast of China, from which Japan has been trying so long to drive inward to the heart of the land.

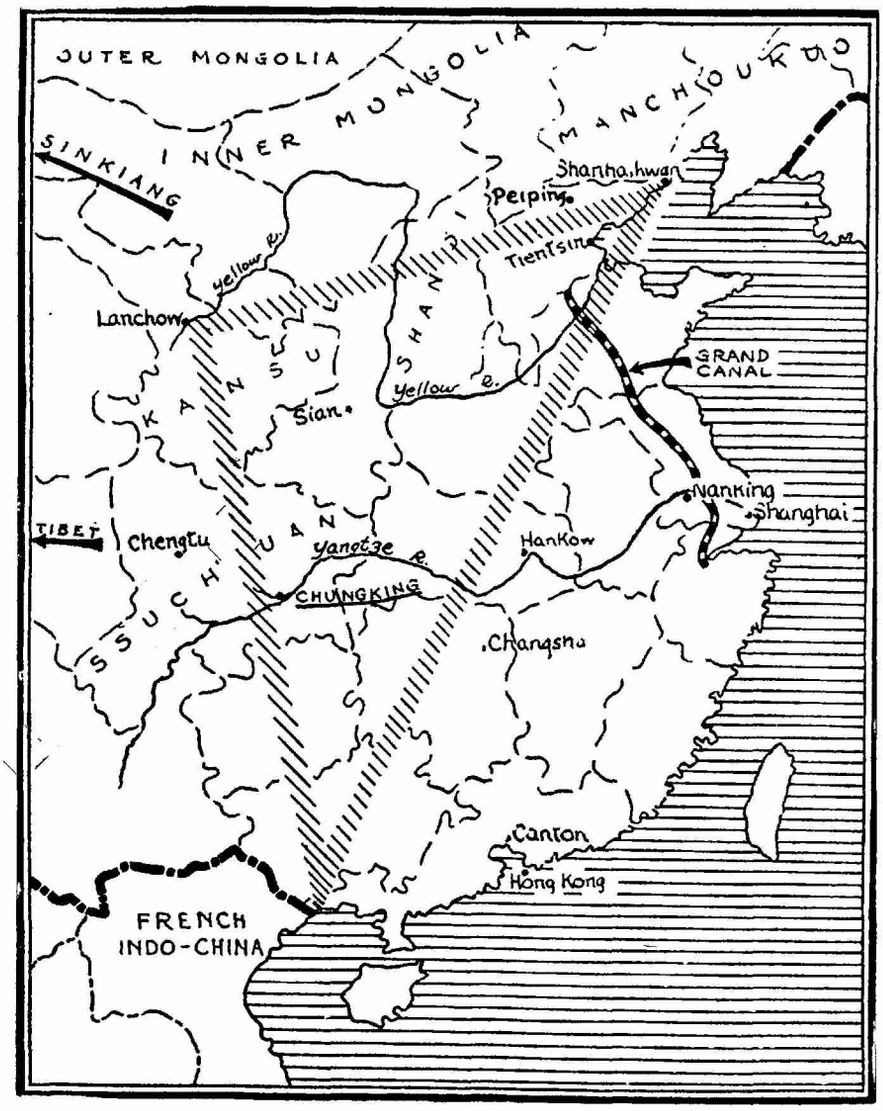
For this right-angled triangle of China is really a serious problem in geometry. As a diagram, it illustrates not only the geography of China but also the military history of past conquests of China. The longest straight line, the hypotenuse, runs through the rich coastal plains. China, in its past history, has been an almost exclusively agricultural state. Therefore these rich plains, although they did not lie in the heart of the country, held the heart of its wealth. Through these plains run the Yangtze and the Yellow rivers, coming from the remotest hinterland. Across them from north to south, roughly paralleling the seacoast, runs the Grand Canal, through which the food and wealth of the South were drawn up to the more barren but strategically more important North.

Source of Wealth

Here we come to another point, and a most important one. It was the rich coastal plains of China—the hypotenuse—that bred the wealth and civilization of China. It was here that the rewards of empire lay. It was not here, however, in spite of the abundance of manpower, that military strength was rooted. The "classical" conquests of China did not originate in these plains and spread outward, but were directed inward from the strategic positions along the northern side of the triangle—roughly speaking, the Manchurian and Mongolian frontier, from Shanhaikuan to Lanchow. The north side of the triangle tended to rule the hypotenuse. (Here I am simplifying, of course, but not oversimplifying.) Even when a Northern dynasty was driven out by a Yangtze valley movement (as when the Ming dynasty overthrew the Mongol rulers of China in the fourteenth century), the new dynasty could not unify and maintain its control of the Yangtze valley by pushing upstream into Szechwan (Ssuch'uan)—as the Japanese are trying to do now. Strategically, it was more important to get control of the north side of the triangle and then reach overland, across the right angle, and dominate Szechwan from the north and northwest. This is just what the Japanese expected to do, when they rushed spectacularly into Shansi more than a year ago; and just what they have conspicuously and disastrously failed to do. This defeat, lying in the background of their great Yangtze campaign, must not be forgotten in attempting to size up the present military situation in China. It forced Japan to attempt a conquest of China from the hypotenuse instead of from the "classical" northern side of the triangle.

Plainly, then, it is important to know whether China is likely to be conquered by a drive from the hypotenuse toward the right angle. There is one obvious point that immediately comes to mind. The "classical" conquests of China belong to the bow-and-arrow ages of warfare. Does the strategic topography of China still have the same significance in the tank-and-airplane age of warfare? Surely the mobility, striking range and superior mechanization of the Japanese must have modified all the old rules. What about their ability to dominate the arteries of communication, seize all the main urban and industrial points, and "paralyze the nerve centers?"

A hint of an answer can be found in the early plans of the Japanese themselves. There is no doubt whatever that these plans called for a blow at the multiple railway junction at Peiping which would "paralyze" North China and put Japan in position to strike



into Shansi with small but highly specialized and mobile forces and then "across the angle," so as to dominate the Yangtze valley from its upper course and from the deep hinterland. The Japanese, that is, in spite of the modern improvements in warfare, would have liked to stick by the classical principles of conquering China. If they had succeeded, they would have been able to take over the hypotenuse later, in the classical manner, with the minimum disturbance of life and destruction of wealth in the areas of maximum agricultural production and maximum density of population. They would not only have got China, but got it as a going concern.

Defeat Suffered

In this, as I have already pointed out, they suffered an important defeat. The plan for a "lightning" conquest of China, along the lines laid down by Fascist military theory, went haywire. According to the theory, every Chinese warlord and big shot within range was to be put on the spot. With the big shots coerced or bought, there would be no resistance from the rank and file of the Chinese armies. Here lay the fatal miscalculation. Increasing pressure by Japan since 1931, and the increasing revelation of Japan's ultimate aims, had got beyond the warlords and the politicos and the intelligentsia, and reached the common people. When the Japanese made their stroke it brought answering sparks, not from the fellows up top who had been running North China for several years, nominally under the Chinese Government but actually under an interpenetrating Japanese control which corrupted most of those whom it affected, but from the rank and file of the troops. From the troops, the sparks grew into a flame that fused the whole people in a determination to resist, to endure and to go on fighting to final victory, whatever the cost and the suffering.

Baffled by this resistance in the North, and enraged by the way in which the Chinese at Shanghai refused to remain "neutral," the Japanese drove savagely at the rich lands and vulnerable population of the hypotenuse. They determined to strike at the wealth of China first, and to conquer it first, even if they had to destroy it in doing so. They have now taken the whole coast. China has become

an inland world. It has no independent access to the sea. The greatest cities are gone, and most of the railways. The "nerve centers have been paralyzed." The Japanese are crowded along the hypotenuse, thrusting from it savagely but hazardously far out into the interior.

China Still Fighting

The Chinese, in spite of the blanking-out of those famous nerve-centers, have not been paralyzed. They are still fighting. The Japanese are not able to stop conquering and set to work on organizing what they have got, in order to squeeze profit from it. They are being forced to drive on toward the other two sides of the triangle, and up toward the remote right angle. It is costing them a lot, and many people doubt whether they will ever be able to get a financial return on it, though the British are already talking about investing in "reconstruction" under Japanese rule. But how long will the Chinese be able to harry the flanks of the Japanese; and will they ever be able to shift again from irregular warfare to regular warfare, and actually drive the Japanese out of China? Many people doubt it.

They would be justified in their doubts, if all the considerations were military; but there are other things to be considered. Excuse me for being so persistent, but here I simply have to get back to that triangle diagram again. The hypotenuse has always been the line of wealth—in the past history of China. The north side has always been the side of the strategic military positions for holding down a conquest; that is as true today as it has always been. The southwest side crosses the territories of the most numerous non-Chinese tribes and peoples in China—tribes which fill in the anthropological gaps between the Chinese and the Indo-Chinese and the Tibeto-Burmans and the Tibetans. This, in fact, has been for many centuries the real "colonial" frontier of China The ability to set up and hold an empire had more to do with the northern side of the triangle than with any other part of China. The heaviest pay-off of empire was along the hypotenuse. When control of both the northern side and the hypotenuse was in good working order, surplus energy could be used in "colonial" expansion on the southwestern side of the triangle, by penetrating into non-Chinese tribal territory, converting or forcing the tribes into Chinese ways of living, and eventually incorporating them within the Chinese nation and civilization.

Historical Analogy

The fact that China's past history corresponds to such large extent with this three-sided geographical diagram ties in with a number of other things. We, who live in an age of machines, tend to subordinate agriculture to industry; but the Chinese have always stayed close to the land. The architecture of China, except for a pagoda here and there, has always been an architecture of one-story buildings—even the nobly planned buildings of imperial palaces. In the same way the social structure of China has always stayed close to agriculture, except for the towering figures of a few individual conquerors—men who dominated the landscape of their times, like pagodas, but who for all that did not change the characteristic social structure and historical rhythm of China. I do not mean by this that the society of China was of a low order; for like the one-story buildings of Chinese palace architecture the favored groups within Chinese society could, without departing far from the agriculture which nourished them, attain an unmistakable maturity, subtlety and grandeur.

Agriculture, granted a dominant importance, tended to become tyrannous as well as dominant, and to specialize along rigid lines, so as to maintain its tyranny. From ancient times, Chinese agriculture appears to have been associated with irrigation. In its mature development, irrigation was practiced wherever possible. This not only meant heavy crops per acre, but heavy population per square mile. Immense resources of labor were required to dig and keep up canals for irrigation and transport (especially the transport of "tribute grain" from the provinces to the capital). The same labor made it possible to tend and weed and harvest by hand, and even to irrigate, by hand, little patches that in countries with less abundant manpower would be neglected. The whole of society became geared to a high birthrate, a "filial piety" that included child labor and the control of the labor of children by parents, a low standard of living (so that hand labor would remain cheap enough) and a bureaucratic form of government that creaked and groaned, and sometimes stuck, out of sheer weight of personnel (because government tended to match production in the huge number of individuals employed, each individual averaging a low output, although the total output was immense).

Three Connecting Steps

Does all this appear to be remote from a war of survival against Japan? It is not, really. There are only three connecting steps. The first step: in the past, society's "vested interest" in concentrated manpower smothered the development of machinery, which would have thrown out of kilter the whole of both the economics of production and the structure of society. Concentration in the areas that would support large numbers per square mile also impeded the development of marginal areas—especially mountains, where a thinly scattered population would otherwise have had an incentive to develop labor-saving devices, and eventually to elaborate the knowledge of minerals to the point of creating labor-saving machinery. There was, of course, a thinly scattered Chinese population in the mountains, but these people were not treated as the adventurous advance-guard of society, but as riff-raff who were to be prevented by every possible means from interfering with respectable, established society. In the same way the Chinese have known and worked coal and metals for centuries; but mining was always taxed down to the point of bare survival, so that it could not challenge the rule of agriculture.

The second step: a society of this kind was unwieldy in self-defense. There were too many people who could do nothing in the world except work with their hands, at a very low level of technique, and under orders from above. Consequently, if you could once maneuver yourself into position to give orders, everybody would obey and you could rule the country. Whenever government weakened, a few strong-arm men within China or a few barbarian invaders from the outside could grab the superstructure of government and automatically assert their control right down to the foundations of the state.

Third step: this is essentially what the Western nations did when they instituted a kind of international control in China in the nineteenth century. They exercised a power of veto over the rulers of China—first the Manchu dynasty, because it was old and decayed and could not resist, and then the Chinese Republic, because it was young and weak and was never allowed to get going. By this means, without conquest by any one nation, a whole group of nations took the cream off the economic revenue of China—through trade, which the Chinese were not allowed to tax and control, carried on by agents who could not be brought before a Chinese court; through indemnities; through loans, granted for purposes that suited the foreigners best, not for purposes that suited the Chinese best; through railway and mining concessions, and so on.

A Straight Issue

This third step brings us to the problem which Japan has created for itself. The Japanese invasion has pushed all the other foreigners aside and set up a straight issue between China and one nation attempting to conquer China. It has not destroyed the Government of China, which was what the Japanese wanted to do, but it has destroyed the whole fabric of economy and society in China, which was the last thing the Japanese wanted to do. It has destroyed them. *But it has not made it impossible for the Chinese to carry on with substitute methods of production, a substitute structure of society, and substitute policies of government.* And I don't mean Bolshevism, either.

Consider: the Japanese have taken all the most important "nerve centers" in China—only to discover that these were nerve centers of the old methods of controlling China, and that they are not vital if China is willing to look for new ways of survival. They have taken the "richest" parts of China, less than half the total territory, but probably containing more than half the total population. But it is already becoming plain that these are the areas that are "rich" in the old, predominantly agricultural Chinese meaning. It is being revealed that even the industries established in these areas, and drawing on the abundant and cheap labor supply of these areas, obtained their most essential raw materials from the "poor" hinterland which the Chinese still control. Chinese industry, in fact, has hitherto been a subservient industry. It bought its machines from abroad, and it naturally centred at the points most deeply penetrated by alien financial control. But if the Chinese intend to use part of the machinery which they have carried off into the hinterland to manufacture more machinery, it is they, and not the Japanese, who still control the essential raw-material producing areas.

What Is Held

In short, the Japanese now control the part of China which was the richest in the past, but which is the most archaic in the present and the least able to satisfy Japan's acute industrial hunger. The Chinese control the part which has always been the poorest in the past, but which is bound to become the richest in the future—the major areas of mineral wealth and potential industrial power. Nor need the Chinese lack for food. The fact that these areas have in the past produced less food than the "rich" areas was due less to lack of potential productivity than to the fact that they needed methods of production out of favor with the dominant society flourishing in the "rich" areas. Changes in method, particularly in substituting mutual aid organized in co-operatives for the old method of swarming numbers employed at minimum rates and left periodically unemployed in order to keep labor cheap, have already provided the "poor" Northwest with ample food.

In the same way even the emergency use of poor machinery, when guided by the same motive of maximum community benefit, can produce astounding results. I have seen recent photographs of firearms made in "arsenals" in "conquered" North China and being produced in rapidly increasing numbers for use in the flourishing partisan armies. In this respect the southwest side of China's triangle is better off than the north side. It has a greater depth of potentially rich territory, a greater variety of minerals, and a much more plentiful supply of timber, which is of the greatest importance for the rapid setting up of makeshift machinery and factories. Here also have been carried most of the machines which the Chinese have been able to salvage.

China's Advantage

It is impossible here even to summarize all

the important factors that ought to be carefully discussed. By way of the briefest possible statement, however, I think that this can be said: It will take time for the Chinese to get going; but by spoiling the original Japanese plan of a "lightning" conquest they have already won themselves far more time than they ever had in Manchuria. Yet even in Manchuria, where the Japanese did bring off a "lightning" conquest, guerrilla resistance has never yet been stamped out, and the Japanese, in spite of the way they have plundered the country, have undoubtedly spent more on increased armaments than they have won in new revenue.

Given time, the Chinese are better off for the combined production of food and industry on the two short sides of the triangle than the Japanese are on the hypotenuse—the wealth of which the Japanese have had to destroy ruthlessly in the process of conquest. The Japanese have already got the maximum returns that can be got by the use of their superior equipment in planes, tanks, artillery and modern navy. From now on, these expensive products of industry will demand a far higher ratio of wealth poured out per Chinese casualty inflicted, per acre conquered, and per victory won. The Chinese, though starting this second round with a far weaker industrial equipment, will by no means find it impossible to increase that equipment and to strengthen themselves month by month and inflict steadily greater casualties on the Japanese.

To achieve these results, a new individual mentality and a new social outlook are demanded of the Chinese; but these also are not impossible to create. To begin with, they are not demanded by a new triumphant faction in China, trying to conquer the rest of China, but prompted by savage foreign invaders trying to conquer the whole of China. The emphasis, for all Chinese, is not on the limited advantage of any social class or political party, but on "the greatest good of the greatest number." I put that in quotes because here in America we tend to regard merely as pious quotations what our forefathers regarded as living watchwords. In China, the greatest good of the greatest number is today a watchword of survival, and at the same time a pervading emotion.

Chance for Communism

Until a while ago I was inclined to agree with those who said the Chinese could still win—if America and England did not come in and finance the Japanese. Today I feel rather that American or British money used to back the Japanese is money thrown down the drain. The British, I admit, are inclined to go in for it; but the British Tories, under Chamberlain, have already done miracles to shatter the confidence of those Americans who wistfully look to England for sagacity and "the long view." Backing Japan today, the Japan that is hung up on the hypotenuse of China and cannot reach either the firmly held, strategic, north side of the triangle, or the immense potential riches of the "colonial" southwest side, can only mean Bolshevism in Asia. For the spirit that is enabling China to survive, though new to China, is the spirit of "old-fashioned" democracy, not of Communism or even Socialism. Only if they feel that the liberal democracies are joining in an underhand alliance with Japan will the Chinese be driven into open alliance with the Soviet Union—not because it is Communist but because it has thus far shown, to the shame of both our democracy and our Yankee business acumen, a more democratic generosity to the weak and the oppressed than we have, and a longer view of the dangers of unchecked aggression.

'Axis' Powers Grow More Arrogant Following Adherence by Hungary

ON Jan. 13, four days after according *de jure* recognition to Japan's puppet state of Manchukuo, the government of Hungary announced its adherence to the Anti-Comintern Pact to which the other adherents are Germany, Italy and Japan. This extension of the Rome-Berlin-Tokyo axis, according to a *Reuter* message from Budapest, threatens to precipitate an internal crisis in Hungary, where relations between the government and opposition parties have grown very strained. Unprecedented scenes were said to be taking place in the Hungarian parliament.

Hungary's step was greeted with undisguised jubilation both in Berlin and Tokyo. From the Japanese capital, Jan. 15, came the announcement via *Transocean* that Manchukuo would follow Hungary's example and adhere to the Anti-Comintern Pact, an official announcement being expected next week. Hungary, according to another message from Budapest, will soon resign from the League of Nations.

Dubious Smell

While Germany and Japan—and presumably Italy—were gratified at Hungary's entry into the concert of the totalitarian states, Poland saw the move as a blow to her plans for a common frontier with Hungary at the expense of the Carpathc Ukraine, territorial nucleus of Adolph Hitler's plans for a Greater Ukraine to include a large slice of Soviet Russia.

Germany's European schemings, aiming at the ultimate dismemberment of Russia, were disclosed by a New York German paper, the *Staats Zeitung und Herald*, on Jan. 11. This organ, recently banned in Germany, asserted that Adolph Hitler and Polish Foreign Minister Joseph Beck had concluded "a barter agreement upon the Ukraine." Herr Hitler promised that what is now the Soviet Ukraine will eventually be politically attached to Poland "if Poland recognizes German economic domination over the whole of the 45,000,000 Ukrainian population." The newspaper added that the question of the Polish Corridor, which divides Germany from Soviet Russia, will be settled in conformity with German desires and that "German hegemony in the East will become invulnerable."

Following the firing of a shot in the vicinity of the German legation at The Hague, and other shots at the apartment of an official of the German consulate in Amsterdam last week, Germany's relations with Holland have become strained, despite the fact that an investigation showed the Amsterdam shots to have been discharged from a child's airgun. Writing in the Paris *L'Oeuvre*, Madame Genevieve Tabouis predicted that Germany would take "important military measures" along the Netherlands frontier this week. These measures, according to the lady prophet, would be taken with the object of "making the democracies understand that the Reich generals are of the opinion that the present moment is favorable for an international adventure."

A *Reuter* report said rumors of "Herr Hitler's next attack" were widespread in England, with Rumania, the Ukraine, Poland, Memel, Danzig, Holland and Belgium being alternately mentioned as the next "victim."

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That the Rome conversations between Prime Minister Chamberlain and Signor Mussolini last week failed to produce any positive results was seen from the thoroughly innocuous communique issued at the close of the parleys. This statement said that "major questions of moment and relations between the two Empires were examined" and that the conversations were marked by "the greatest cordiality," while "both sides reaffirmed their intention to develop relations between the two countries in the spirit which animated the (Anglo-Italian) agreement of April 16, 1938."

The Paris press was unanimous in the view that the Rome talks had failed to produce any concrete results. Similarly the British press. The London *Daily Express* affirmed that the meeting between the British and Italian statesmen "was a failure from beginning to end." That Chamberlain did not succeed in persuading Mussolini to end the violent anti-French campaign of the Italian press was seen in the fact that the Fascist newspaper *Tevere* launched an attack on France more remarkable for its vitriolic quality than anything which has yet appeared. The attack took the form of a signed article, appearing under the name of Signor Telesie Interlandi, editor-in-chief.

"We spit in the face of all citizens of the cowardly French Republic who owe to Italy and exclusively to Italy the safety of their territory during the World War," the Fascist scribe worte. "We spit in the face of France because of the nonsensical stupidity of the fable about the Gallic cock not being frightened of the Roman wolf. This cock has become an arterio-sclerotic and prudent capon whose joints alone are still hard. The French poultry-yard is gradually becoming a rabbit kennel. This is our last reason for spitting in the ugly face of this vile and stinking bird. And that is enough, because all in all Italian saliva is worth more than the French citizen who is spat upon."

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With Gen. Franco's Nationalist troops driving forward into Catalonia, stronghold of the Spanish Republican regime, prospects for any early withdrawal of Italian troops from Spain is considered definitely out. This withdrawal is believed to have been one subject of the Chamberlain-Mussolini conversations in Rome last week. The whole of the Ebro River valley is now in Nationalist hands, while Tarragona, strategic town on the Mediterranean coast, has fallen before their relentless onslaught.

With Barcelona in danger of encirclement, the Loyalist government was reported to be contemplating removal to Valencia, although this was officially denied. On practically all fronts the rebel troops of Gen. Franco are making rapid advances and some observers believe that the end of Loyalist resistance is now in sight.

Writer Describes 'New Fourth' Tactics

A description of the tactics followed by the New Fourth Army, guerilla force of some 20,000 men operating against the Japanese invaders near the banks of the Yangtsze River in Anhwei province, was published in the *Shanghai Evening Post & Mercury* last Saturday. The article, one of a series, was written by Jack Belden, *Post* correspondent, who has been with the New Fourth for the past several weeks.

Commanded by Yeh Ting, with Hsiang Ying as vice-commander, the New Fourth Army, said the correspondent, concentrates on warfare of seven different types, as follows: (1) Irregular; (2) Offensive; (3) No set positions; (4) Surprise; (5) Retreat from a main force, but fight a decisive battle with a weak force; (6) Avoidance of places of strong military works, but attempt to keep the initiative; (7) Night fighting.

Before every attack, instructions are given to each man about the line of retreat he is to follow in the event the attack fails. The attacking unit is divided into groups and each group given a route of retreat. Later, if the attack has failed, these groups will reassemble in a central location appointed beforehand. As it is very possible to lose one's way in such an action, the importance of working with the people becomes obvious.

Major Force Escapes

When the New Fourth attacked Chuyung southeast of Nanking, they broke into and captured the southeast corner of the city. The Japanese ensconced in the remainder of the city, put up defense works which the New Fourth was not able to break down quickly. Japanese reinforcements arrived and the guerillas dispersed almost immediately but by so many different routes that it was impossible for the Japanese to concentrate on any of them. All they could do was follow after a handful of men while the rest were slipping through their fingers.

In case the Japanese guards around a certain well-fortified place are exceptionally strict and no weak points can be discovered, the unit involved will lay an ambush around the spot where the Japanese are likely to come out. The guerillas then attack suddenly and get away quickly.

Cut Food Supplies

In case the Japanese don't stray far from their garrison, the New Fourth tries to utilize the masses by requesting them to refrain from all communication with the Japanese so that they will not be able to eat. When they come out for food, the guerillas will attack them.

The New Fourth often attempts to lure a large force out of their strongly fortified garrison by first attacking a weak Japanese outpost. When the main Japanese force comes to the rescue, the reserves which the New Fourth has held back will attack this main force.

Organized guerilla attacks depend on secrecy and swiftness. The enemy must not know that your forces are in the region. So when an attack is being planned and while scouts and civilians are investigating the strength of the enemy, a commander will quarter his troops far from the objective. Sometimes the troops are as much as 100 and even 200 li away from the place to be attacked. When the time comes, they march all night or if necessary two nights and descend on the objective before the enemy has a chance to know of their approach. Generally the New Fourth operates with a strength of at least one battalion.

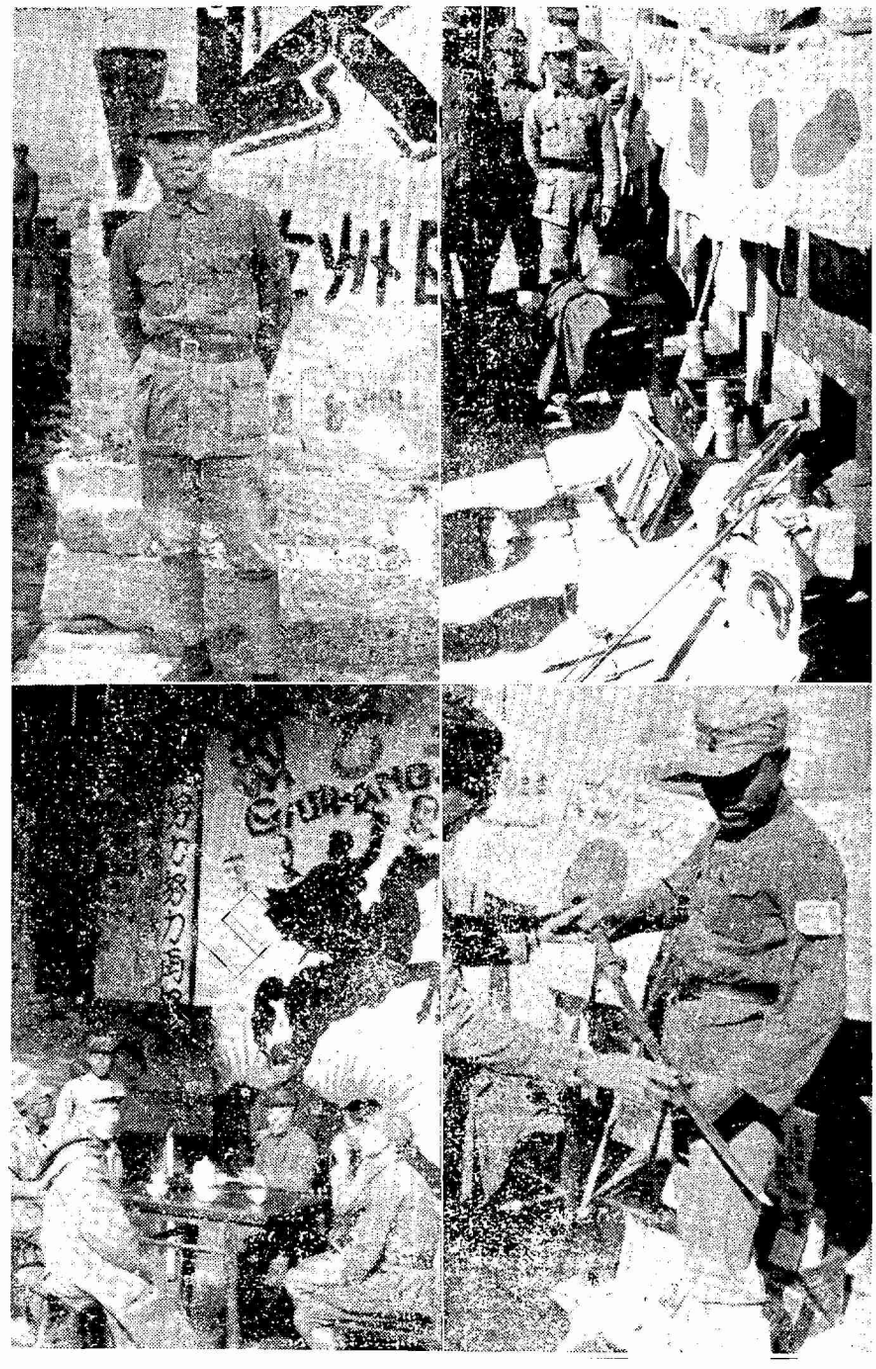
From the standpoint of equipment, the New Fourth Army is one of the weakest in China. Like all Chinese armies and divisions they possess no organic artillery. They have no mountain guns nor field pieces. They claim to have no trench mortars, but this is doubtful. They have scarcely any heavy machine-guns, a few light machine guns and of course rifles, hand-grenades and bayonets.

The basic strategy of the New Fourth according to Hsiang Ying is to exhaust the enemy, restrict them to the lines of communication, slow up their advance and coordinate with other troops in pushing regular warfare. By and by they will train partisans into regular troops so that in the future they "may cut off the enemy's retreat from China."

In a previous article, Belden told of the extreme popularity of the New Fourth Army among the populace of the territory which the Army occupies. This popularity, he said, is due to the fact that the Army not only does not oppress the people, but actually helps to lighten their economic burdens. thus following the tradition established by the Communist armies in Kiangsi several years ago.

The peasants, says the correspondent, have only one fear—that the New Fourth will some day be forced to go away. Then, they say, the rents will be raised again. Many of the peasants have joined the New Fourth and gone to the front to fight. They say: "We help the Army, the Army protects us. We work together. This is the right way."

New Fourth Army and Its Field Commander



Top left, Hsiang Ying, vice-commander of the New Fourth Army and famed throughout China as a guerilla strategist. Right, soldiers of the New Fourth gazing at a collection of war trophies, including flags, uniforms and arms, taken in battle against the Japanese invaders. Lower left, a scene in the "National Salvation" room at the barracks of the 8th Detachment of the New Fourth Training Camp. Right, New Fourth soldiers examining a sword captured from a Japanese officer. Other war trophies can be seen in the background.

With the New Fourth Army in Anhwei Province

These pictures of the New Fourth Army, operating "somewhere in Anhwei" near the Yangtsze River, arrived lately in Shanghai. The New Fourth is composed mainly of Red soldiers left behind in the southern provinces when the Communists, defeated by Gen. Chiang Kai-shek's troops, made their long trek to the northwest in 1934-1935. While Yeh Ting, an ex-Communist general is the nominal commander of the force, Hsiang Ying directs actual field operations. Pictures show, left to right, (1) Working members of the "Enemy Works Department" which is a propaganda and espionage organ. All speak Japanese and some wear Japanese coats captured in battle. (2) Pages from a Japanese soldier's diary, a trophy of war. (3) Letters to Japanese soldiers in China from their families. A mail bag with 250 such letters was captured by the New Fourth. (4) More trophies of war. (5) The 8th Detachment of the Training Camp of the Army, consisting of Nanking and Shanghai middle school students, many of whom speak English. (6) "Hand printers" at work on the Army newspaper, "Resistence." (7) Two Japanese captives (left) with Ling Tze-fu (older man with glasses) in the headquarters of the New Fourth Army.

Fascist Sentry Shoots Unarmed Chinese Man

The Royal Italian authorities in Shanghai have issued the following statement:

"From an investigation on the part of the Royal Italian Naval Command in the Far East regarding the wounding of a Chinese by an Italian sentry on duty at the chemical works at 6.30 a.m. on January 11 the perfect and correct behaviour of the sentry in question has been ascertained.

"The sentry fired only after having for three times challenged the man, in Chinese language, to halt.

"The man had stopped in the immediate vicinity of the sentry post to satisfy a physical need and when ordered to leave committed the grave offence of hitting the sentry and then running away."

China's Masses Bear War Burdens While Bourgeoisie Live Riotously

BY MARC T. GREENE.

SINCE I have been some way into the interior I am more than ever impressed by the fortitude with which the masses of Chinese people are bearing the burdens and enduring the sacrifices entailed in this long-drawn-out war. Yet I can see no sign of weakening and from all I can observe and learn there is no lowering of morale either among the people or in the fighting forces.

I have gained a good deal of encouragement out of my trip. I encountered everywhere the same amazing cheerfulness and absence of complaint at the extreme of misery I have always encountered among the Chinese "common people" through the years that I have had pleasure and satisfaction in knowing them. The same friendly attitude toward the foreigner, especially the American, is manifest also. I don't suppose the farmers of the interior of Yunnan, for example, know anything about the "credits" being extended by America, or even the difference between an American and any other white person. I take it, then, that these are friendly in principle. Indeed, in Kunming I met some people who had just come through over the new road from Burma. Everywhere they found the same thing, though they came in contact with natives and aboriginals who had seen scarce a dozen Europeans in their lives.

All that fills me with an even keener sympathy for the Chinese masses in this struggle than I might in any case feel as a matter of principle. I do not want to see these hard-work, much-enduring, ever-patient folk turned into a race of serfs, any more than I want to see China's ancient culture yield to a culture—so-called—of sheer materialism and the whole country become the hugest vassal state in history.

I feel that it would be a poor return for what China has suffered and is suffering. I feel that, if there be any virtue at all in the qualities so manifest in the Chinese common people, they should in some way be rewarded.

Unequal Burdens

But I am likewise impressed with the fact, and not now by any means for the first time, that there is an appalling disproportion between the burdens being borne by the masses of China and by the bourgeoisie and well-to-do. I cannot escape the conclusion that among these classes there is far less sense of duty and responsibility to the country than there ought to be. Call it lack of "patriotism" if you like, though I must confess I am rather fed-up with that word.

In any case, it is clear to me that the burdens are not being equally distributed. I am told that it is the policy to permit, even to encourage, the young "intelligentsia" to keep out of the war, so that when it is over they may form the nucleus for a renaissance of Chinese culture.

That argument does not convince me. No struggle anywhere or at any time was won without the material aid of this class. If this war is, as the Generalissimo says, a revolution—and of course in a sense it is—then contemplate the part the intelligentsia has played in other successful revolutions in the course of history.

I observe, and with pain and often disgust, thousands of young Chinese everywhere carrying on as usual, sitting in the tea-rooms, gathering in the cafes, aye! patronizing the brothels as generously as ever. I see also fat, bland and smug bourgeoisie idling their time away and spending their money likewise. None of them seem to realize that there is a war going on, and not only a war but a bitter and desperate struggle to exist on the part of a nation that is thousands of years old and ought to command the last full measure of devotion from each and every one of her people. That devotion can, of course, be paid in many other ways than on the fighting-line, but it can be paid in some way by everybody. It can and it must be, if China is to survive.

I wish the average Chinese above the rank of the masses of laborers, coolies and peasants, had half as much sense of duty and responsibility to the country as has every Japanese. This thing would have been over by now, aye! over and won, and I say it advisedly. But I am not sure it will ever be won if China—all of China—does not wake up and fight on!

Slight Slip-Up Somewhere

Talburt in The Oklahoma News

For the struggle cannot be abandoned now on any pretext whatever, least of all as the result of some humiliating kind of Far Eastern "Munich" dictated by foreign trade interests. China must never accept such a thing or consider accepting it for an instant, any more than she must accept Prince Konoye's latest "peace terms."

No Compromise Possible

It is necessary for China, especially for "young China," for the whole of the bourgeoisie, for the upper classes, to bear in mind this: Either China must win the war or—the end. Make no mistake about it. It is one or the other. You are facing a foe who will never compromise, who now cannot compromise. To recoup the tremendous losses China must be turned into an economic asset. That is exactly what Japan's long-laid and far-reaching plans comprehend. With China as a vassal state, with her people serfs under the Japanese lash, the resulting production would bring to Japan such huge wealth as would very likely fulfill her dreams of Oriental hegemony.

What do you think of that prospect, China? But, from what has already happened, what do you think of other, and even worse, prospects? I am reminded of what a well-known American airman said to me in Kunming. We were talking of the Generalissimo and of "Madame," the name by which Soong Mei-ling is respectfully and also affectionately known to everybody. "Just to see and talk to her," he said, "is to want to pick up a rifle and go out and fight for China without a minute's delay!"

Very well, then, I take it that Soong Mei-ling symbolizes the spirit of China and also epitomizes the charm of Chinese womanhood which, in the upper social ranks, has no superior on earth and few equals. As you fight for her, China, you fight for all your womankind, and that has been sufficient inspiration for the warriors of every race and nation since time began!

I am, in principle, a pacifist. But, as a well-known English liberal said the other day, it now comes down to this: If I support the idea of huge armaments and continued preparations to slaughter men I feel like a murderer. But if I should favor letting mad dogs run loose all over the place bye and bye to destroy my country, my fellow men and women and myself, I should feel like a skunk. Which am I to feel like, then, a murderer or a skunk?

Only One Choice

It is a pretty desperate and a pretty despairing choice, but no reasonable person denies even the shunk his right to defend himself against the mad dog. And perhaps, after all, the highest form of pacifism is to dispose of the rabid animal as quickly as possible.

However all that may be, there is only one choice for China, and that is to fight on! I see in many a town and village hordes of Chinese children, cheery, bright-eyed, content with so little—with so very, very little. What of them if China is destroyed? I see the Chinese women, young and old, of all classes, also cheery, patient and hopeful. In the name of all that is sacred to you, what of them if China loses?

It cannot be and it must not be, but the only alternative is combined effort, redoubled effort, effort that shall enlist everybody and everything the nation possesses. Aye, far and away more than it has already done.

No one deplores more than I the prospect of another year of suffering, slaughter, destruction. I do not want to see Chinese slaughtered. Nor—and I say it deliberately—do I want to see Japanese slaughtered. I have lived much in Japan, and among the common people there I have found precisely the same friendliness and good intent as in China. The Japanese masses deplore the present ruthless aggression policy of the military-controlled Japanese government just as much as you and I do, or would if they at all understood it. The Japanese farmer does not want to go out and kill a Chinese farmer as a matter of principle, and the converse is equally true.

But it is not the Japanese mass that you are fighting, and must go on fighting at

(*Continued on page 248*)

What Is Happening in the Korean Peninsula?

OF all the territories comprising the Japanese Empire, Korea, the southward-jutting peninsula which divides the Sea of Japan from the Yellow Sea, is the one about which information has been sparsest since Japan's campaign of continental conquest in China began. What is happening in that territory of 85,000 square miles, inhabited by a population of some 23,000,000 people? While the controlled Japanese press and the *Domei* agency furnish occasional fragmentary items of news from the Japanese island colony of Formosa, and literally floods of inspired information concerning doings in Manchukuo, an almost complete silence prevails as regards Korea.

That all is not well in Korea was indicated by a featured article which appeared as recently as Dec. 1, 1938 in the now defunct Shanghai *Nippo*, reporting a movement for the complete "assimilation" of Koreans with Japanese with a view to the "eradication of the slight barrier of racial prejudice between them." Declaring that the movement was making rapid progress, the paper said that Koreans would henceforth be called "compatriots" and regarded by the Japanese as their "own flesh and blood." The significance of this sudden tender solicitude of the Japanese imperialists for a people they have enslaved and oppressed ever since their annexation of Korea in 1910, fifteen years after the Sino-Japanese War of 1894-1895, is all too obvious. Korea and its enslaved millions, together with the rest of the territories that have become Japanese colonies, is the Achilles heel of the Japanese Empire.

Fusion Encouraged

According to the same *Nippo* article, the movement to encourage fusion of Japanese and Koreans was first urged by Gen. Jiro Minami, governor-general of Korea, while Premier Prince Konoye gave enthusiastic support to it during his concurrent term as Japan's foreign minister, issuing instructions to Japan's diplomatic and consular representatives abroad to carry out the Korean assimilation plans. The colonial government of Korea sent Tatsuo Matsuzawa, chief of its foreign affairs section, to Tokyo to confer with Gaimusho officials regarding concrete measures to be adopted.

After an understanding was reached, the Gaimusho instructed its officials abroad to formulate specific plans to abolish the "discriminatory feeling" some Japanese feel toward Koreans, the *Nippo* said. Then the Japanese consulate-general in Shanghai sent to Korea a delegation of "representatives" of the local Korean community to make an investigation of the state affairs in their homeland.

When this delegation returned to Shanghai toward the end of last year, they "unanimously reported," according to the Japanese organ, that "a spirit of loyalty and devotion to the Japanese sovereign has spread to all parts of Korea."

Local Persecution

Koreans in Shanghai have been subjected for years to the most cruel hounding and persecution by the local Japanese authorities, as a counterpart of the treatment accorded their brothers and sisters in the homeland. Hundreds, believing they might enjoy security in their persons and immunity from arrest by the Japanese, made their homes in the French Concession. But local manifestation of France's unwritten law according asylum to the political persecuted was conspicuous by its absence. The Concession authorities, where they did not actively cooperate with the bloodhounds of Imperial Japan, gave Japanese consular police a free hand to raid Korean homes in Frenchtown and carry off the inmates for "trial" in Korea, which meant death or worse, as a rule. The only crime of these Koreans was their hatred of Japanese oppression. Many were not even active in the Korean independence movement. It is doubtful if today a single Korean could be found in Shanghai's French Concession The few Korean shops that used to be open along Avenue Joffre, for example, are now all gone.

An example of the hounding of Koreans in Shanghai was furnished last September when the Japanese consular police, operating this time in the British-controlled International Settlement, arrested a Korean named Boku Jin-ko, 40 years old, and leader of the Korean independence movement from 1918 to 1921. Although under sentence of death, he had never been tried. He escaped from Korea and made his way to French Indo-China, where he lived quietly in Hanoi. When friction with the French authorities, undoubtedly instigated by the Japanese, made it impossible for him to remain there any longer, Boku proceeded to Shanghai with his family, was promptly arrested by the Japanese consular police on a 17-year-old "murder" charge and shipped off to Korea. Under Japanese law, a death sentence is valid for 30 years. Boku has not been heard of since.

Strange Slogan

Dallas, Tex., Morning News.

In view of all these facts, it is of interest to study a report by Li Ko-nei, president of the Japanese-controlled Korean Residents' Association in Shanghai, who went to Korea to "investigate conditions" about the same time as the Japanese-selected delegation referred to above. Mr. Li said he was "deeply impressed by the strong 'home front' in Korea" and added that he was "happy to note that the Koreans are fast awakening to the national spirit of Japan."

About the same time, the Mr. Tatsuo Matsuzawa previously referred to was sent into Central China to "survey Korean activities in the Japanese-occupied areas." This is what he claimed to have found (also according to the *Nippo*): "A drastic change was noted in the feeling among the Koreans, with the Manchurian incident of 1932 as a turning point. The present hostilities have fired the Koreans with patriotism. This change is so marked that the word 'abrupt' is not strong enough to describe the transformation which took place in the attitude of the Koreans."

Propaganda Eyewash

All this propaganda eyewash is of course designed to conceal the true state of affairs in Korea and the true feelings of the Koreans, including the expatriates living in Shanghai and other parts of China, toward their Japanese overlords. Japan wants to convince the world that the Koreans have suddenly come to love their cruel masters and now wish to fuse their destiny as a people with the imperial destiny of Japan. But there is more to it than just that. Precisely because hatred of Japan and the Japanese continues to burn fiercely in the breasts of the Koreans, Japan feels compelled to make at least a few miserly concessions to Korean pride of race by "eradicating the slight barrier of racial prejudice" which stamps them with the mark of inferiority.

Illustrating how devoted the Koreans are to their Japanese persecutors, more than 100 Koreans have banded themselves together in a Korean legion and are fighting with Chinese military units against Japan, according to a report which appeared in the Chungking *Ta Kung Pao* last Nov. 29. On Oct. 10, China's great national day, they announced the formation of the legion in Hankow, issuing a manifesto in which they pledged their loyalty to China's cause. Commanding the legion is Kim Yat-san, 41-year-old Korean revolutionist, who is secretary-general of the Korean National Revolutionary Party and of the Korean National Front League, which latter body embraces four old-established Korean revolutionary organizations.

The Korean legionnaires are believed to have attracted numerous fellow-countrymen to their banner of struggle against Japan. By attaching themselves to China's cause, they see hope for realizing the independence of their own country from the overlordship of Japan. Only recently, the Korean People's Party issued a message to the Chinese people affirming the solidarity of the two peoples in the struggle against Japan, of which the following are extracts:

Korean Manifesto

"It has been 29 years now since Korea was conquered by Japan. During these 29 years, under the principle of interior extension, the 23,000,000 Koreans have been forced to live like animals. The sufferings and oppressions we Koreans have been receiving are beyond imagination. Those who cannot endure any longer the Japanese oppression have moved to the Chinese Three Northeastern Provinces, to share the destiny of the Chinese brethren there.

"Since the beginning of the present war, the Japanese military has had a severe lesson. Comrades of the Korean People's Party have all risen to avenge the grievances of these 29 years, and to fight for justice, peace, and the mother country. Only the lack of strength has made large-scale rebellion impossible. But anti-Japanese activities have never ceased for a single day.

"China and Korea are historically related. Both nations have been subjected to Japanese aggression in the past scores of years. Korea has unfortunately been conquered, but her spirit of resistance is in no way different from that of China. The Koreans believe that when China wins in her war of resistance, all the weak and small nations will be benefited, emancipated, and can return to a state of freedom and equality.

"From now on, it is necessary that

(*Continued on Page 250*)

Newly-Created Province of Sikang Said Valuable Base of Resistance

BY FRANCIS C. B. CHANG

WITH the inauguration of the Sikang Provincial Government on New Year's Day, when the region in China's wild West, hitherto little known to the outside world, was elevated to full provincial status, China's base of the present war is further widened and her power of resistance considerably augmented.

For Sikang, which comprises slices of rich Szechwan and Tibetan territories, is a land of great economic potentialities and its people, though of different tribes, are solidly behind the National Government.

Possessing an area of 371,599 square kilometers, this new province of Sikang, which is nearly one and one half times as big as the British Isles or about the size of Japan Proper plus Formosa and Japanese Sakhalin, is situated on a plateau rising 3,000 to 4,000 meters above the sea level. A chain of mountains, some of which project magnificently 8,000 meters into the sky, stretches over wide areas of sparsely-populated terrain. Hidden in these lofty mountains are mineral treasure-houses as yet untouched.

New War Base

The National Government, since its establishment in Nanking in 1927, has been planning to turn this vast unexploited frontier region into a modern productive province. In 1928, when the provincial governments of Chahar, Suiyuan, Jehol and Chinghai were inaugurated, plans to place Sikang on a provincial footing had also been made, but they were dropped owing to disputes between the Chinese and the Tibetans. The two peoples shook hands again in 1934 when the late General Huang Mu-sung made a good-will trip to Tibet and attended the memorial service for the Dalai Lama. In the following year, a Sikang Provincial Organizing Commission was created by the National Government to make Sikang a province. The present hostilities have brought this region, together with the southwestern provinces of Szechwan, Yunnan, Kweichow and Kwangsi, into prominence as China's base of war. Since the elevation of Sikang to provincial status could not now be delayed, the government, in a mandate issued in the middle of December, 1938, formally sanctioned the step.

Sikang's richness lies chiefly in its unlimited gold deposits. In the Changtu and Shihtu districts where most of the gold mines are found, as much as $2,000,000 worth of the yellow metal is produced annually. Hundreds of adventurous Chinese have flocked there to become rich just as the Americans did to San Francisco in the gold rush period. The gold output in Sikang is expected to increase considerably in the future with the use of modern mining machines by the Ministry of Economy and the National Resourses Commission.

Next to gold, iron, coal and petroleum are also plentiful.

Regarding surface wealth, Sikang's vast forests are notable. It is said that there is such a rich supply of timber that cedar, valuable elsewbere, is used to make pigsties there. In the depth of these forests roam the tiger, wolf, bear and deer. That rare animal of world fame, the panda, is a native of Sikang.

Medicine forms another important product of Sikang, with an annual output of close to $1,000,000. The unique tonic prepared from the horns of tailed deer, and medicinal herbs, are exported in large quantities to Europe and America. The present rice production of the new province is estimated at 1,870,000 piculs per year. The amount is expected to be trebled within three years through large-scale plantations.

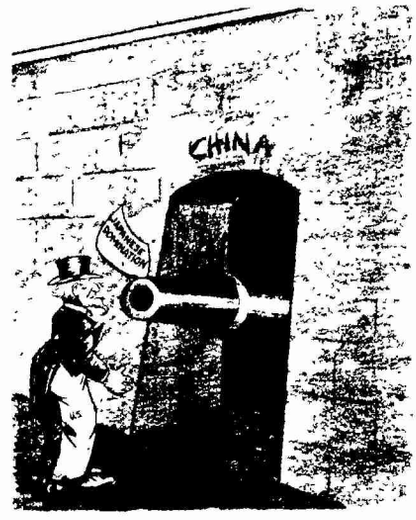
No better wool or leather is produced in China than in Sikang, the output of each article being valued at $500,000 annually. To increase the production of leather, the newly-installed Sikang Provincial Government is said to be planning the establishment of a $100,000 tannery near the Sikang-Szechwan border.

Of Sikang's imports, cotton and silk goods are the main articles which total $2,000,000 annually.

Hydro Station Built

Thanks to the steepness of its topography, Sikang boasts an important economic treasure in the form of water power.

The "Open" Door



—Washington D. C. Post

The government has already established an experimental hydro-electric station on the Szechwan-Sikang border and extensive utilization of this power is expected in the future.

For years, the rugged mountains and treacherous waters of the Golden Sand River, a tributary of the 3,200-mile Yangtsze, have made communications a thorny problem in outlying Sikang. However, in order to exploit the wealth of the place for continuing resistance to Japan, the government will build a network of highways to link Sikang with neighboring provinces, despite the topographical difficulties. The first of these roads, now under construction, is the Szechwan-Sikang highway which starts from Chengtu and terminates at Kangting, Sikang's capital. Two-thirds of it are learned to have already been completed and opened to traffic. More than 5,000 laborers are now working on the Erlong Mountain, one of the most difficult sections of the road. Following the completion of this highway, another connecting Sikang with Yunnan will be built. An initial fund of $8,000,000 for the construction has already been earmarked. Then two more important inter-provincial roads, one leading into Chinghai to the north and the other into Tibet to the west, will be constructed. Considering the rough surface they will traverse, these highways, when completed, will undoubtedly rank among the world's most remarkable engineering feats.

Varied Population

No accurate statistics of Sikang's population are available. But the figure 3,800,000 obtained from a reliable authority is generally regarded as the nearest to accuracy as it includes the numbers of different tribesmen. Of this figure, 500,000 are estimated to be Chinese, 1,300,000 Tibetans, 1,700,000 Lolos and Miaos, 200,000 Indo-Chinese and an uncertain number of Mongols and Kangs. Simple, strong and good-natured, most of these people are still leading a primitive nomadic life. Lamaism is their predominant religion. There are 2,537 lama temples throughout Sikang and about 497,500 lamas, who are considered a privileged class. It is the non-lamas who work and toil and at the end of a year offer what they have saved to the lamas in return for blessings. All the people are loyal to the National Government. Following the inauguration of the Sikang Provincial Government, they sent a telegram to President Lin Sen and Generalissimo Chiang Kai-shek pledging their unwavering support. Travellers who recently returned from there said that the Generalissimo is revered almost as a deity by some of the people.

With such wealth and such people in her rear, China is not unable to wage a protracted war of resistance against Japan until the final victory.

Facts About Ford Weather Tunnel

What can a hand-made, a synthetic sandstorm, a home-blown blizzard, tell you about your motor car? That is the question asked of employees at Ford Motor Company's weather tunnel in Detroit. Their answer is, plenty. And the same answer goes for the company's big test tracks.

The weather tunnel, in which all cars in the Ford-Lincoln line are proved, is a huge testing laboratory, large enough to house a Ford transit bus, in which virtually every conceivable weather condition can be reproduced. A 500-ton refrigerating machine sends the temperature down to 20 below zero if desired. With it, a zero temperature can be maintained while the car or truck on test is operating at a "road" speed of 70 miles against a 70-mile wind. In an adjoining "cold" chamber, tests are conducted at 40 degrees below zero.

Extreme heat is as readily produced within the tunnel. So are mist, rain, sleet, sand and dust storms. The air may be made arid or humid, the atmospheric pressure to simulate conditions on mountain roads or below sea level in the California desert. The oxygen content of the air can be increased or reduced.

Here is a typical problem solved in the weather tunnel: The voltage regulator for the generator of the Lincoln-Zephyr and other cars is sensitive to temperatures. So is the electrolyte in the battery. To function with maximum efficiency the voltage regulator should be at the same temperature as the battery at all times. Engineers at the weather tuunel were asked to make tests throughout the range of temperatures in which the car would be expected to operate, and to find the right location in the car for the voltage regulator. They found it. This was not of major importance, of course, but it helped make the car that much more trouble free.

Soviet Munitions Said Flowing In

Evidencing increasing Soviet assistance to China, large quantities of arms and ammunition are flowing into this country from Russia via the "Red Route" in northwestern China, a *Domei* dispatch from Taiyuan said last week.

Two Soviet military officers were reported to have arrived at Loyang in northwestern Honan on the Lunghai Railway, on Jan. 6, to confer with Gen. Wei Li-huang, commander of the first Chinese war zone. Thirty field pieces with 2,000 shells of alleged Soviet manufacture were said to have reached Tungkwan, near the eastern border of Shensi on the southern bank of the Yellow River.

Transit of arms and ammunition through Burma to Yunnan is on the increase since the conclusion of contracts with Britain for a £10,000,000 sterling loan, according to information from reliable quarters received in Tokyo, *Domei* reported Jan. 13.

British supplies totalled 60,000 tons during a two-month period in November and December, while additional shipments of 60,000 tons are en route to the Chiang Kai-shek regime at the present time, it was stated. The Rangoon branch of the Bank of China is acting as financial agent for the arms transactions, the report added.

As reported in the Dec. 31 issue of the *Review*, the Burma government issued a categorical denial that any British arms are being sent to China through Burma. The denial stated that of the war materials, arms and munitions reaching Rangoon for transportation to China, no part came from Great Britain. Marc T. Greene, writing in the *Review* of Jan. 7, reported that the arms and munitions arriving in Rangoon were coming from Soviet Russia in vessels chartered in Britain.

84 Per Cent of Bonds Said Absorbed in Japan

Public bonds issued in Japan during 1938 totalled Yen 4,330,000,000, of which Yen 3,651,000,000, or 84.3 per cent, were absorbed, according to an official announcement made by the Bank of Japan last week. Out of the total bond issues, Yen 3,680,000,000 were taken up by the Bank of Japan and the remaining Yen 650,000,000 by the Deposit Bureau of the Finance Ministry. Bond sales by the Central Banking Institution to governmental organizations during the year amounted to Yen 373,000,000, sales to private companies totalled Yen 2,168,000,000 and sales through post offices amounted to Yen 459,000,000.

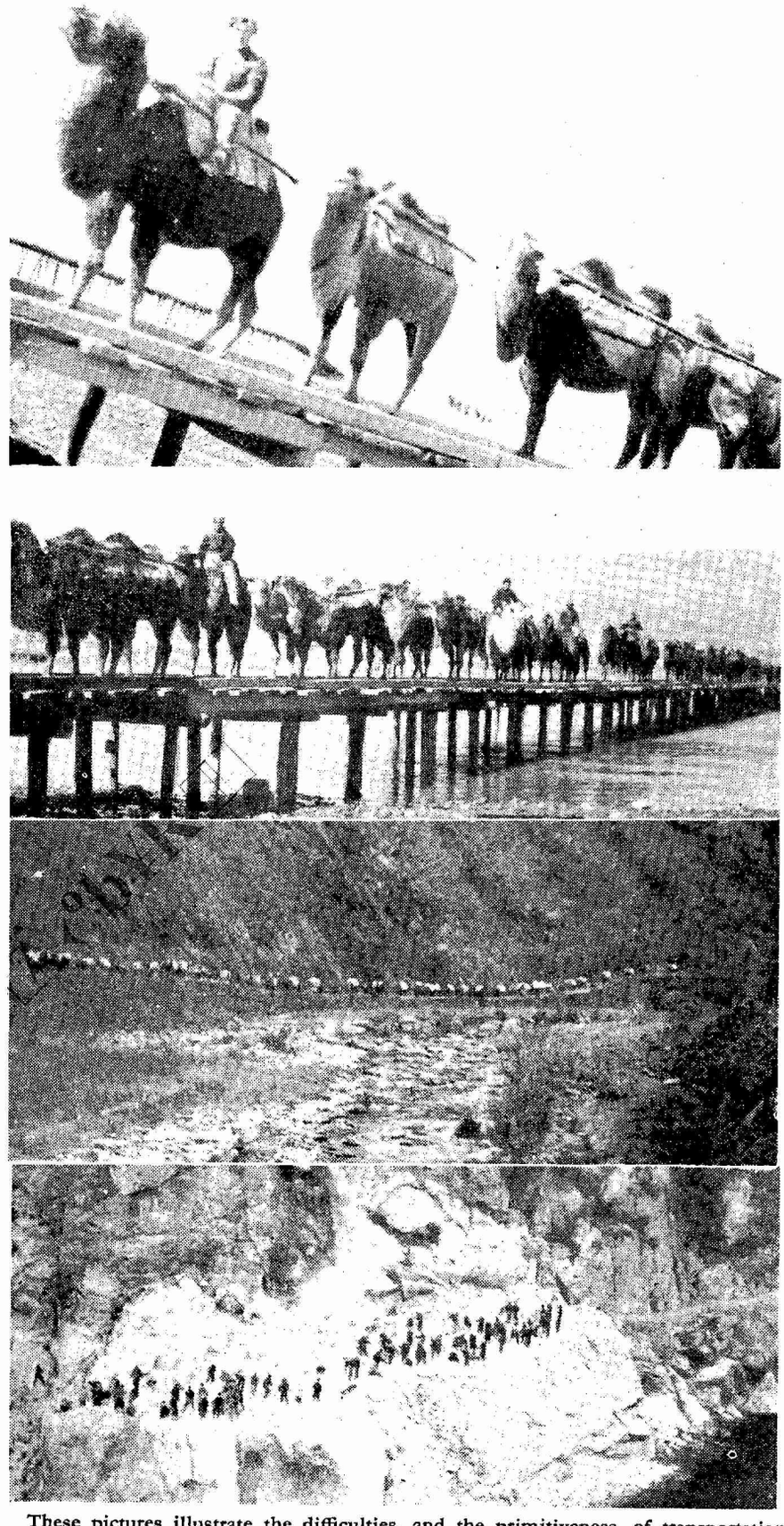
Customs Issue Final Shanghai Trade Figures

The final figures of Shanghai's foreign trade for 1938 have just been released by the Chinese Maritime Customs, and show that imports during the year amounted to $269,092,315 (against $508,844,132 last year), and that exports totalled $222,181,071 (against $404,395,418 in 1937).

The total trade therefore, was $491,273,386, as compared with $913,239,550 last year, the excess of imports over exports being $46,911,244.

It is explained that official Government rates of exchange have been retained for purposes of conversion.

Camel Trains Bring in Soviet Supplies



These pictures illustrate the difficulties, and the primitiveness, of transportation in China's northwest, where, in the absence of good roads, camels are still one of the principal means of conveyance. (1) A striking view of the advance section of the camel train seen in (2) crossing a wooden trestle bridge on the Shansi-Shensi highway. The animals are carrying Soviet military supplies. (3) The caravan skirting a mountain slope. (4) A gang at work on a difficult section of a new highway, now under construction, which is to link Sian, capital of Shensi, with Hanchung in Szechwan province.

Britain Says 'No!' To Japan's Policies in China

"GRAVE anxiety" over Japan's recently-declared policy envisaging the erection of a "New Order" in East Asia and the exclusion of third powers from China's trade and investment markets, was voiced by the British Government in a note delivered to the Japanese Government on Jan. 15 by Sir Robert Craigie, British Ambassador in Tokyo. The note, couched in the most forceful terms used by the British government in many years, emphasized Great Britain's intention, in line with the already-expressed policy of the United States, to adhere strictly to the principles of the Nine-Power Treaty in the affairs of the Far East.

According to a *Transocean* message from London, the note was handed to Japan only after diplomatic consultations between the British government, on the one hand, and the governments of the United States and France, on the other. Noting the close resemblance between the contents of the note and the American note to Japan of Oct. 27, 1938, observers in London construed the latest British *demarche* as a "serious warning" to Japan to live up to the commitments undertaken by her in the Nine-Power Treaty.

France, according to a *Reuter* dispatch from Tokyo, will shortly present to Japan a note along the same lines as the British and American notes.

Note Said Overdue

The liberal *Manchester Guardian* said this week that there was only one serious criticism to be made of the British note, "and that is that it is long overdue. Otherwise, remembering that our civil servants have had little practice in plain speaking during the past eight or nine years, it is altogether admirable. If the Government continues to march in step with the United States Government, as at last it appears to be doing, there is good reason to think that Japan will take due notice. The Note is the first response to President Roosevelt's challenge to democracy. It is the first sign that the British Government will not continually retreat before aggression. The note will certainly be read with as much respect in Berlin and Rome as in Tokyo; it should be read with as much pleasure in London and New York as in Chungking."

According to *Domei*, official circles in Tokyo tended to minimize the "gravity" of the note, professing to see a conciliatory attitude in the communication. Particular mention was made of the statement that the British Government did not contend that treaties are eternal. Unofficial circles, however, were said by the Japanese agency to regard the Note as a British attempt to score a "triumph" in the Far East to offset Britain's "lose of face" during the recent Chamberlain-Mussolini talks in Rome. The full text of the British note, as cabled to Shanghai by *Domei*, is as follows:

Text of Note

"I am instructed by His Majesty's principal Secretary of State for Foreign Affairs to inform Your Excellency of the uncertainty and grave anxiety wherein His Majesty's Government in the United Kingdom have been left by the study of the Japanese new policy in Far Eastern Affairs as set out in recent statements by the late Prime Minister and other Japanese statesmen.

"I am to refer more particularly to Prince Konoye's statements of Nov. 3 and Dec. 22 and to the communication made by Your Excellency to foreign press correspondents on Dec. 19.

"This uncertainty has not been removed by the conversations on the subject which I have had with Your Excellency from time to time.

"From these pronouncements and from other official information issued in Japan, His Majesty's Government infer that it is the intention of the Japanese Government to establish a tri-partite combination or a bloc composed of Japan, China and Manchuria wherein the supreme authority shall be vested in Japan and subordinate roles would be allotted to China and Manchuria.

"Insofar as China is concerned, it is understood that the Japanese Government

Share and Share Alike?

—*Ken Magazine*

Recent dispatches from Tokyo have hinted that the Japanese Army is now willing to share its spoils with other members of the anti-Comintern Bloc.

is to exercise control, at least for some time, through the Asia Development Board in Tokyo, which will be charged with the formulation and the execution of policy connected with political, economic, and cultural affairs in China.

Other Powers Restricted

"Your Excellency's own communication to the press indicates that the tri-partite combination is to form a single economic unit and that the economic activities of other Powers are to be subjected to restrictions dictated by requirements of national defence and economic security of the proposed bloc.

"According to Prince Konoye, the hostilities in China are to continue until the present Chinese Government have been crushed or will consent to enter into the proposed combination on Japanese terms.

"China, he said, would be required to conclude with Japan an anti-Comintern agreement and Japanese troops are to be stationed at specified points in Chinese territory for an indefinite period, presumably to ensure that the Japanese conditions for a suspension of the hostilities are observed.

"Moreover, His Excellency stated that the Inner Mongolia region must be designated as a special anti-Communist area. It is not clear what is meant by this, but in the absence of fuller information it can only be assumed that Inner Mongolia is to be subjected to even a greater degree of Japanese military control than the other parts of China.

"His Majesty's Government are to a loss to understand how Prince Konoye's assurance that Japan seeks no territory and respects the sovereignty of China can be reconciled with the declared intention of the Japanese Government to compel the Chinese people by the force of arms to accept conditions involving the surrender of their political, economic, and cultural life to Japanese control, the indefinite maintenance in China of considerable Japanese garrisons, and the virtual detachment from China of the territory of Inner Mongolia.

Adheres to Treaty

"For their part, His Majesty's Government desire to make it clear that they are not prepared to accept or to recognize activities of the nature indicated which are brought about by force. They intend to adhere to the principles of the Nine-Power Treaty and cannot agree to a unilateral modification of its terms. They would point out that until the outbreak of the present hostilities, the beneficial effects, which the treaty was expected to produce, were steadily being realised.

"The Chinese people were maintaining and developing for themselves an effective and stable government and the principle of equal opportunity for commerce and industry of all nations was bringing prosperity to China and her international trade, including that with Japan. His Majesty's Government, therefore, cannot agree as is suggested in Japan that the Treaty is obsolete or that its provisions no longer meet the situation, except insofar as the situation has been altered by Japan in contravention of its terms. While, however, His Majesty's Government maintain that a modification cannot be effected unilaterally and must be by negotiation between all signatories, they do not contend that treaties are eternal.

"If, therefore, the Japanese Government have any constructive suggestions to make regarding the modification of any multilateral agreement relating to China, His Majesty's Government, for their part, will be ready to consider them. Meantime, His Majesty's Government reserve all their rights under the existing treaties.

Extrality Abolition

"I am further instructed to refer to that portion of Prince Konoye's statement of Dec. 22 wherein he states that Japan is prepared to give consideration to the abolition of extraterritoriality and the revocation of foreign concessions and settlements in China. This inducement to China to accept Japanese demands would appear to entail but little sacrifice on the part of Japan, for if the Japanese Government succeed in their plan for the control of

(*Continued on page 248*)

Hongkew Japanese Complain of Profiteering, Want Area Reopened

NEGOTIATIONS for restoration of International Settlement areas north of Soochow Creek to the control of the Shanghai Municipal Council are underway, a Japanese Embassy spokesman revealed this week in reply to a question by a local newspaperman. He, declined, however, to state the conditions under which such a return would be effected, and denied knowledge of an alleged request by the Japanese Residents' Corporation to the Japanese consular authorities for an early reopening of "north of the Creek" areas.

Those most ardently desiring the restoration of S.M.C. authority North of the Creek are probably the Japanese residents of Hongkew, who are largely compelled, because of continued closure of the district by the Japanese authorities, to live by "taking in each other's washing."

They have other causes for complaint as well, notable among these being the profiteering carried on by Japanese merchants because of their monopoly of the market. The Japanese daily *Tairiku Shimpo*, in a crusade against the profiteers, has demanded that the Japanese Consulate-General fix prices. High and irregular prices, said the paper, are hampering the average Japanese resident in his efforts to maintain a reasonable standard of living.

Paper Hits Profiteers

Answering the cry of Japanese merchants that there has been an extraordinary increase in the Japanese population with a corresponding rapid turnover of merchandise, plus increasing circulation of Japanese currency, the daily said profiteers taking advantage of the present state of affairs should be severely boycotted. "It is deplorable that warnings issued by the consular authorities, and measures taken by the Self-Reform League, have not brought more effective results. Therefore the Japanese consulate should take matters into its own hands and codify the price regulations." The paper also criticized customers who still patronized stores which have raised their prices more than 30 per cent.

With the aim of standardizing commodity prices in Hongkew and solving the problem of profiteering, a new market with a capital of Yen 200,000 is being planned, the Shanghai *Mainichi* reports. The projected market will be opened on North Szechuen Road opposite the Foomin Hospital early in March, and will be named the Shanghai Provisions Market, it was said. Construction is scheduled to start at the end of this month.

Japanese property owners have launched a campaign for a three-year moratorium on the payment of land taxes to the Shanghai Municipal Council in view of miserable business conditions in Hongkew where most of the local Japanese real estate is located. There is also a demand for reassessment of Japanese-owned land values. Claims to special consideration at the hands of the S.M.C., the Shanghai *Mainichi* said, were based upon the "new circumstances" which have arisen as a result of the "valuable sacrifices of the Japanese Army and Navy."

Corporation Has Deficit

The Japanese Residents Corporation, which once disposed of huge revenues derived from the local Japanese populace, is racking its collective brain over the problem of making up an expected deficit of Yen 200,000 during the coming fiscal year, according to the *Tairiku Shimpo*. Japanese opinion, the paper says, seems to favor loading the burden on to Japanese "wartime profiteers," as they are the individuals who have benefited most by the hostilities.

Other factions in the Corporation, however, think that the 1,500 Japanese women entertainers in Hongkew, who have also shared in the "post-war boom," should be levied Yen 3.00 per month to meet the expected deficit.

With the approach of Chinese New Year, the Winter Relief Committee of the puppet "Greater Shanghai Municipality" has

Cupboard is Bare

launched an active campaign to assist distressed people in Western Shanghai, Pootung and Nantao. The Japanese Residents Corporation is accepting Japanese donations to the relief chest.

The Modern Science Library of Japan is planning to establish a Japanese library in Hongkew.

Creek Restrictions

Sampans and junks on Soochow Creek must tie up to the south bank only, the north side of the creek being reserved to vessels with special permits from the Japanese Army or Navy, according to a notice of the shipping office of the Public Utilities Bureau of the Shanghai City Government, published here this week.

The notice was issued with a view to "keeping to a minimum the number of accidents on Soochow Creek caused by congestion of traffic," according to a Chinese report. Navigation hours on Soochow Creek now are limited from 6 a.m. to 12 midnight daily, but vessels with permits of the Japanese Army and Navy are not subject to this rule, according to this report.

Nantao Electric Works Looted by Japanese

Property including machines valued at $500,000 belonging to the Hwa Shang Electric Works in Nantao, was thoroughly looted after the withdrawal of Chinese troops from the area, according to the *Shun Pao*. The factory has recently been taken over by the Central China Development Company, but none of the former workers of the plant accepted the invitation to return to work.

S.M.C. Pay Raises Arouse Big Furore

A furore of protest was aroused in Shanghai this week by reports and editorials in the foreign press disclosing the full implications of salary increases to be granted to officials and employees of the Shanghai Municipal Council in accordance with recommendations made last Dec. 23 by the Staff Committee and published in the *Municipal Gazette* of Dec. 30, 1938.

The Committee recommended that the present temporary bonus of 12 per cent. of basic pay granted to "B" and "L" Class employees be increased, subject to review in three months' time, to 15 per cent. of basic pay; that the present exchange limit of 10⅛d. on the repatriation pay of Class "A" employees be modified to provide for exchange adjustment to meet a fall in exchange not lower than 7d. to the dollar; that foreign Heads of Senior Departments, and Heads of Junior Departments and Deputies to Heads of Senior Departments receive exchange adjustment on the whole and two-thirds of their salaries respectively, subject to the same limit of 7d; that the present temporary cost of living bonus for the Chinese staff not serving under Letter of Appointment be increased to an average approximating 9 per cent. on relative scales, subject to review in three months' time; and that Chinese employees serving under Letter of Appointment receive the same cost of living bonus as "B" and "L" Class foreign employees.

The first publication to draw attention to the implications of these rather complicated recommendations was the local publication, *Shopping News*. The British-owned *North-China Daily News*, which in the past has given more or less unquestioning support to all the actions of the S.M.C., then went into the matter in detail in editorials showing that while the rank-and-file employees of the S.M.C. are to receive a flat 15 per cent increase in their salaries, heads of departments and other ranking officials will, in terms of local currency, receive increases reaching as high as 60 per cent.

Council Gives Reasons

In justification of the increase, the S.M.C. explained that the favored employees are engaged, as to part of their salary, on a gold currency basis and that the increases to be given have become necessary because of the fall in the exchange value of the Chinese dollar. Answering criticism of the very liberal treatment thus accorded the high officialdom, S.M.C. spokesmen trotted out the well-worn argument that men in "pivotal" positions in the municipal service were persons who, because of high training, experience and ability, could elsewhere command salaries which compared very favorably with what they are now receiving, and that if their salaries were not suitably adjusted in terms of British currency they might quit the service.

Despite this explanation, the *North-China Daily News* said the increases, in view of the exceptionally difficult times through which Shanghai is passing, were "worse than a crime; they are a blunder." The American-owned *Shanghai Evening Post & Mercury* declared that the situation "is a stench in Shanghai nostrils." Letters from indignant ratepayers are flooding the newspapers and a movement is on foot to call a special ratepayers' meeting to protest the action of the S.M.C.

It has been estimated that the S.M.C. pay raises will cost the ratepayers an additional $600,000 annually. Rather curiously, the local Japanese press and officialdom have refrained from comment on this latest municipal treasury raid, although in the past they were to the fore in demanding downward revision of the salaries paid to leading officials.

Chungking Defers Loan Payments As Japanese Hold Customs Receipts

Deferment of payments on loans secured on the Chinese Maritime Customs revenues, due to the fact that the Japanese authorities, despite repeated assurances, have been retaining revenues pledged for debt service collected in areas under occupation by the Japanese army, was announced by a spokesman of the Chinese Ministry of Finance in Chungking this week. With the exception of a single remittance from the Shanghai Customs last June, the statement said, the Japanese authorities have been detaining the Customs revenues for more than a year.

In order to make up the amount that should have been remitted from these areas, the Chinese Government advanced about $175,000,000. The Central Bank of China, moreover, provided for all the foreign exchange required, though the Japanese authorities have been interfering with the Chinese currency, forcing the acceptance of several forms of Yen which have reduced collections in legally valid currency to which obligations of the Government have been secured.

The Chinese Customs authorities, notwithstanding all the difficulties of the Chinese Government, provided the service of China's debts, thereby demonstrating the utmost consideration for holders of its obligations, the statement goes on.

Too Anomalous

Under the existing conditions, the statement adds, the Chinese Government has very reluctantly been forced to the conclusion that "this situation has become too anomalous to be continued. Therefore, the Government has been obliged to reject the request of Sir Frederick Maze, Inspector-General of Customs, for a further advance."

The Chinese Government does not intend to make no payments towards the loans secured on the Customs, but intends to limit its payments to a proportion of the whole debt, in ratio to the receipts from Customs revenues in the areas under their control and the total Customs receipts.

The Government is, therefore, prepared to set aside special amounts in the Central Bank of China as their share of the long-term debt service, pledged to the payment of all such debts outstanding before the hostilities.

It is to be hoped, the statement goes on, that remittance of the share from the areas under Japanese occupation may be similarly forthcoming, and that interference with the Chinese currency will cease, so that the service of these debts may be similarly effected.

This measure, the statement concludes, is a temporary arrangement, in view of the present abnormal conditions.

Japanese Explanation

Execution in full by the Chinese Maritime Customs of the terms stipulated in the Anglo-Japanese agreement of May 3, 1938, is a pre-requisite for a possible servicing of loans secured on Customs revenue out of funds now being held on deposit by the Yokohama Specie Bank, a Japanese Embassy spokesman said this week.

A five per cent import surtax, against which a United States wheat and cotton loan of 1935 is secured, is still being collected at ports under Japanese occupation and the proceeds are being held in a suspense account by the Yokohama Specie Bank, together with other funds derived from Customs collections, the spokesman declared.

Answering questions by foreign newspaper correspondents, he said that unexecuted provisions of the Anglo-Japanese accord included, among others, the agreement to transfer to the Yokohama Specie Bank the balance of the Customs accounts with the Hongkong and Shanghai Bank in each port under Japanese occupation and the promise to pay to the Japanese Government arrears of the Japanese portion of the Boxer Indemnity held at the Hongkong and Shanghai Bank since September, 1937.

All Customs revenue collected in Shanghai since the conclusion of the agreement was being held on deposit by the Yokohama Specie Bank under the terms of the Anglo-Japanese agreement. With the exception of a withdrawal of $1,000,000 in June for the service of the Reorganization Loan of 1913, the entire sum was being left untouched, he said.

No Advance to Puppets

The Reformed Government, the spokesman declared, had received neither an advance from these funds, nor had floated a loan with Customs revenue as security.

The spokesman declined to disclose the amount now being held on deposit by the Yokohama Specie Bank, on the grounds that he understood that the local Customs authorities did not wish to have the figure revealed.

Asked what steps were bring taken with regard to the interests of the United States, France and other powers in loans secured on Customs revenue, the spokesman referred his questioners to the text of a communique issued in London and in Tokyo on May 3, 1938.

Said the communique: "It is further understood that the Governments of the United States and France do not propose to raise any objection to the temporary application of these arrangements, which will be subject to reconsideration in the event of a radical change occurring in economic conditions."

Negotiations between Shanghai Maritime Customs officials and N. Y. K. Steamship officials have resulted in an amicable settlement of the question of using the Japanese language on import declarations, according to a Japanese report.

Documents in Japanese

Maintaining that Japanese importers should be accorded the same treatment as nationals of other Powers so far as convenience and facility in Customs procedure is concerned, in view of the fact that Japan tops the import list, the N.Y.K. Company is already issuing bills of lading in Japanese, as a result of negotiations, it was said. They are also prepared to issue invoices at once. Other Japanese firms and import companies are being encouraged to follow the example of the N.Y.K.

Marking an additional step in the simplification of Japanese import procedure, Japanese Consulate-General officials were reported to have concluded negotiations with Customs authorities for installing a considerable number of Japanese in high Customs offices.

Puppets Protest Closing of 'Ta Tao' Police Station

A protest against the closing by British soldiers of a police sub-station at the intersection of Great Western and Columbia Roads in Shanghai has been lodged by the "Reformed Government" with the British Ambassador, Sir Archibald John Clark-Kerr.

The protest, signed by Mr. Chen Lu, Minister of Foreign Affairs, reads as follows:

"I have the honor to ask you to order the British military authorities in Shanghai to remove the seal from the police substation in question, to permit it to be restored to its original condition, to prevent the recurrence of similar incidents in the future, and to refrain from interfering with the duties of the Greater Shanghai Special Municipality officials in the western district of the city."

"Flight" of U. S. Capital

Washington, D.C. Post

Chinese Soldiers Escape From Hongkong Camp

Almost a hundred men have escaped from the Kowloon concentration camp, where Chinese soldiers, who have taken refuge in British territory, are housed. This discovery was made following the arrest by the police on Jan. 15 of six men who had escaped from the camp.

The interned men had apparently discovered a man-hole in a drain leading to the sea and, over a period of several days, small groups had been escaping by this outlet. The police are very reticent over the whole affair, saying that "investigations are proceeding."

Strikes, Bloodshed in Palestine, Syria

A general strike was proclaimed this week in Jerusalem by Arabs in protest against death sentences on six of their compatriots pronounced by the British military court. One of the condemned has already been executed. The strike order is being strictly obeyed in the old city as well as in other Arab districts, *Transocean* reported.

Altogether, 30 Arabs were arrested and one of them seriously injured during a new purge action carried out by British troops in various parts of the country. A large Arab-owned cigarette factory was burnt down in the outer districts of Haifa.

Great indignation was reported in Haifa consequent upon an order by the British military authorities forbidding people from placing their hands in their pockets while on the streets. The order was introduced as a precautionary measure in view of frequent pistol assaults.

Many were injured during street clashes between 2,000 demonstrants demanding the independence of Syria and 300 police and mobile guards, in Damascus. Several deputies of the Syrian Chamber intervened whereupon the demonstrants dispersed and the shops which had closed reopened.

Part of Antarctica Annexed by Norway

Norway, in accordance with a decision taken at a Cabinet meeting Jan. 14, annexed one of the world's last territories considered as no man's land. According to an official announcement, that part of the coast of the Antarctic continent situated south of the South African Union between the British Falkland Islands and the Australian Antarctic dependencies, with the hinterland of that coast and the sea of that coast, was placed under the sovereignty of Norway. The territory reaches from 20 degrees west to 45 degrees east.

In an official announcement, the Norwegian Foreign Office gave as reason for the annexation that the territory in question has been explored and surveyed exclusively by Norwegian expeditions since 1929. The territories, now named after members of the Norwegian royal family, have been during the past few years of greatest importance to the Norwegian whale fishing industry.

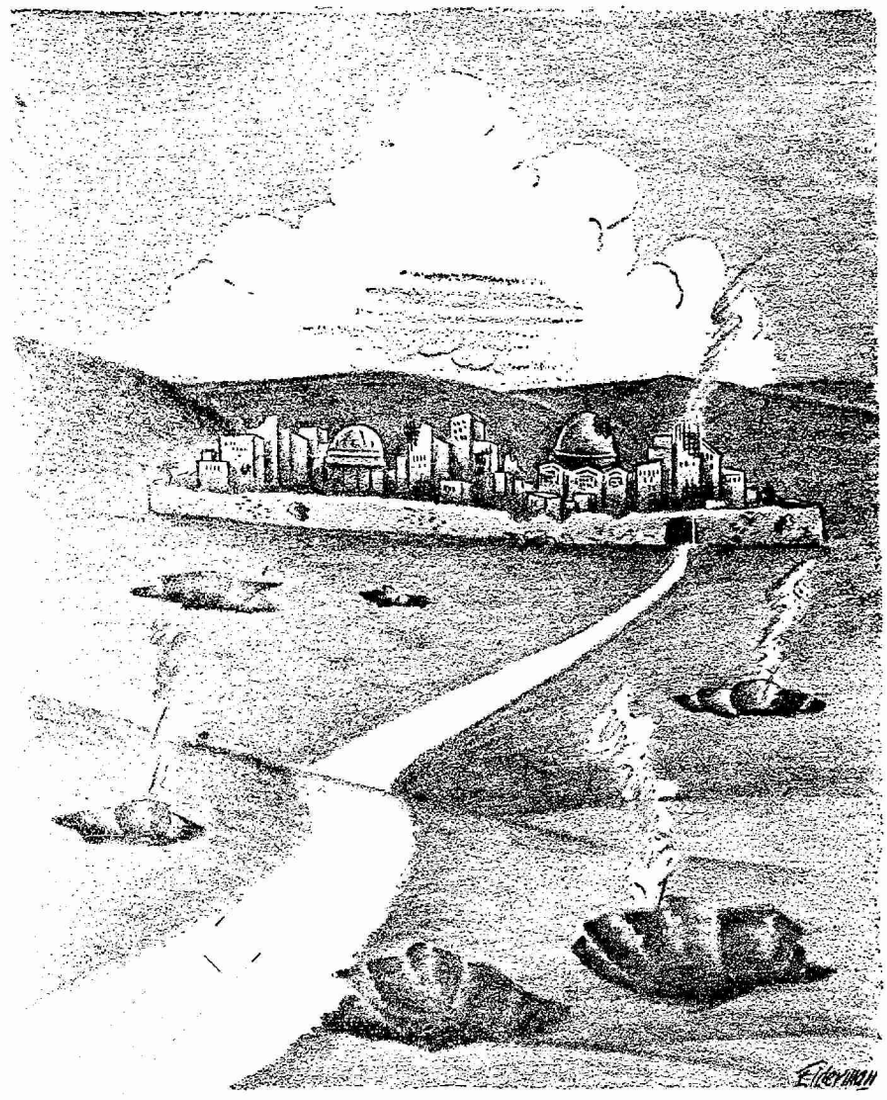
Hankow in Darkness As Power Plant Suspends

Hankow foreign concessions were plunged into darkness last Sunday when exhaustion of coal supplies caused the Hankow Light & Power Company to suspend operations. Japanese military authorities had been supplying 1,000 tons of coal monthly to the power company, *Reuter* reported, but apparently were unable to maintain the supply owing to the fact that space in incoming steamers is all taken up with other merchandise and military supplies.

The following day, street lighting was restored but houses remained without electric light. Meanwhile an agreement was reported to have been reached between the Japanese military and the French Concession authorities, providing for resumption of the water supply in that area in return for the opening of the Concession gates, which have long been closed.

This agreement was viewed as a step toward ending the state of tension between the two authorities which has been evident ever since the Japanese occupation of the Wuhan tri-cities last October.

Jerusalem the Golden



—*Washington, D. C. Post*

Soviet Union Now Taking New Census

An eight-day census of the Soviet Union, involving a population of 200,000,000 people, began on Jan. 17. Census takers number 500,000, the majority of whom, under 30 years of age, have been under careful training for several months in order to obtain answers to 15 questions indicative of the changes which have taken place since the Revolution.

The census is also aimed at recording new social and occupational progress since the first Five-Year Plan, and of obtaining an accurate estimate of the hundreds of Minorities.

By decree of the Presidium of the Supreme Soviet of the U.S.S.R., the People's Commissariat of Defence Industry has been divided into four Commissariats: the People's Commissariat of Aviation Industry, the People's Commissariat of Shipbuilding Industry, the People's Commissariat of Ammunition, and the People's Commissariat of Armament.

The Supreme Military Council, *Transocean* reported from Moscow Jan. 15, sentenced five former G.P.U. (secret police) officials to death for having extorted "confessions" from prisoners and for having made illegal arrests. All five, the agency said, have already been executed.

A *Tass* report from Moscow reports release of a new Soviet film entitled "Let Us be Like Lenin."

League Gives Figures of World Population

The monthly bulletin of the League of Nations, concerned with world population statistics, stated that on the basis of the most recent data—many of which are approximate or, as in the case of China, conjectural—the world population at the end of 1937 was 2,134 millions. Omitting China, the world population appears to have increased during the year 1937 by some 18 millions, or 1.1%.

Over a half of the population of the world lives in Asia, where India alone accounts for more than 375 millions, and China is assumed to have 450 million inhabitants. The population of Japan now exceeds 72 millions and of the Japanese Empire (*i.e.*, including possessions) 100 millions.

The population of the Union of Soviet Socialist Republics is tentatively estimated at 178 millions.

The population of Europe, excluding the Union of Soviet Socialist Republics, numbers some 397 millions, of which Germany, after the recent territorial changes, accounts for nearly 79 millions, the United Kingdom 47, Italy 43, France 42, and Poland about 35 millions.

The population of the United States of America now exceeds 130 millions; the South-American countries total some 90 millions, of which Brazil represents nearly a half.

Congress Slashes W.P.A. Relief Roll

President Roosevelt received his first major rebuff from the rebellious new 76th Congress Jan. 13 when the House of Representatives voted 397 to 16 in favor of a $725,000,000 emergency relief bill approved by the House Appropriations Committee.

The bill was a substitute for the $875,000,000 appropriation urgently requested by the President in his opening message to Congress. The funds will go for the support of the Works Progress Administration for the remainder of the current fiscal year.

The bill adopted by the overwhelming House vote also rejected other suggestions from the President regarding method of expediture and W.P.A. personnel.

Curbs on Spending

Restrictions placed upon the appropriation by a fighting House coalition of conservative Democrats and new Republicans included.

1. The money must be apportioned over the remaining months of the fiscal year so as to avoid another request for W.P.A. funds in the current fiscal year.
2. The President's order attempting to place 37,000 W.P.A. "career" officials on the civil service rolls was nullified.
3. The bill bans relief to aliens.
4. A north-south W.P.A. wage differential was set at 25 per cent. of the maximum.

Two Republican attempts to limit the appropriation to $350,000,000 pending a Congressional investigation of the W.P.A. requirements were defeated. However, the majority of House Democrats stood with the Republicans in reducing the W.P.A. appropriation in the face of White House warnings that anything less than $875,000,000 would force thousands of needy people off the relief pay rolls before June 30.

Britons Raise £163,000 For Relief in China

The British Fund for Relief of Distress in China now amounts to more than £163,000, according to a *Reuter* report. Mr. Gordon Thompson, secretary of the Fund, states that donations continue to come in steadily, but that the need of the Fund grows greater.

Masses Bear Burdens

(*Continued from page 240*)

any sacrifice, China, or else be destroyed. What you, what we are all fighting, is this medieval despotism known as "authoritarianism," the determination of a small minority to dominate everything for their own ends, out of their drunken greed of power. It is the mad dogs of that creed we must destroy if this world is to go on being fit to live in. If we do not, they will assuredly destroy us. Or, if they do leave any of us alive, the conditions under which we shall have to go on existing will give us no reason to be grateful.

So, China, there is but one thing for you to do, and I do not wish to hear anybody accuse me of fomenting strife or encouraging mass murder because I remind you again that it is victory or the end of everything that for five thousand years has meant China. For everything and everyone that is dear to you, China, prepare yourself for renewed sacrifices, for the greatest test of your fortitude yet, for more suffering and more privation and more vexation of spirit. Prepare yourself for all that, that you may survive at all. In the name of all that is sacred and holy to you, combine, sink sectional differences and ancient antagonisms, call a truce to factional feuds and personal grievances, submerge every other consideration in the common welfare, in the desperate national need, and fight on!

British Burma Rent By Wave of Strikes

Breaking a complete 10-day silence regarding the situation in Burma, where on Jan. 4 the Governor, Sir Archibald Cochrane, proclaimed a state of emergency over the entire territory, *Reuter* came through last Saturday (Jan. 15) with a report stating that a campaign of civil disobedience had spread to the government dockyard in Rangoon, where the workers had struck, and that a general dockyard strike "is now threatened."

The dispatch stated that there were nearly 5,000 strikers in the city, "which has become the rallying point of hunger marchers, discontented farm workers and bus drivers." Not all these elements were unruly, the dispatch continued, and efforts of the government were being directed at isolating the "trouble makers," hoping thereby to prevent the mass strike which the "Dobama" Party (Burma for the Burmese) were trying to organize. Thirty-nine persons were under arrest.

Since last Saturday, there has been another complete silence about events in Burma on the part of the *Reuter* agency, indicating that a censorship has been imposed on outgoing news from the British colony.

Yangtsze Reopening Left to Admiral's Discretion

Japanese naval authorities "on the spot" have been directed to act at their own discretion on the matter of reopening various waterways in China, under their control, to general navigation, a spokesman for the Navy Ministry said in Tokyo last week.

Referring to the recent authorization given the s.s. *Kinshan* of the British-owned Canton, Hongkong, and Macao Steamship Company to sail from Hongkong to Canton, the spokesman said it was "another manifestation of the attitude of the Japanese naval authorities on the spot who banned general navigation on the Yangtsze and the Pearl River because of strategical necessity, but who are anxious to give as great facilities as possible to the nationals of third-party Powers."

The lifting of the prohibition of traffic on the Yangtsze, he continued, was left to the discretion of the naval authorities on the spot, who were "expected" to remove restrictions as soon as possible when the danger from mines and the remnants of Chinese troops "is entirely eliminated."

Recent resumption of postal communications between Shanghai and Hankow is said to have encouraged the authorities of the Post Office in Shanghai to also resume the operations of their branch office in Anking and so Shanghailanders may soon enjoy the postal communication with the former capital of Anhwei which is now occupied by the Japanese.

Asia Development Board Holds First Meeting

Concrete measures to deal with the situation in China, in keeping with the Government's fixed policy regarding the hostilities, were discussed at the first meeting of the Asia Development Board in Tokyo Jan. 13.

Premier Baron Kiichiro Hiranuma, president of the Board *ex-officio*; Mr. Hachiro Arita, Foreign Minister; Mr. Sotaro Ishiwatari, Minister of Finance; Lieut.-Gen. Seishiro Itagaki, Minister or War, and Admiral Mitsumasa Yonai, Navy Minister, *ex-officio* vice-presidents, were present. Lieut.-Gen. Heisuke Yanagawa, secretary-general of the Board, also attended.

Yangtszepoo Tenants Fight Rent Collectors

How several employees of the Shanghai Land Investment Company, Ltd., were mobbed by hundreds of non-rent-paying Chinese tenants in Yangtszepoo area was disclosed at the First Special District Court Jan. 12 when three of the mobsters were charged with offense against public order by Mr. T. T. Tsang, municipal advocate.

Mr. W. Hall of the real estate firm, accompanied by one Chinese shroff, one Chinese watchman and three Russian watchman, proceeded to Lane 159 Tseu Ka Ba Road off Yangtszepoo Road to collect rents from Chinese tenants in the lane. Several times previously, the Chinese shroff had been unable to collect any rent from the militant occupiers.

As soon as the party appeared at the entrance to the lane several loafers began to yell. In a minute pandemonium broke out as the tenants proceeded to beat a big wooden gong, obviously to warn the other tenants.

Responding to the gong beats scores of men, women and children came out onto the lane from every direction, yelling and shouting like men possessed. Confronted by a mob of several hundreds. Mr. Hall and his assistants had to seek refuge at a shoelace factory nearby.

Meanwhile the mobsters began to swarm around the factory and proceeded to throw bricks and stones. The majority of the men were armed with bamboo poles.

A hurried telephone call to the police station was made by Mr. Hall at the factory. Bricks flew with wild abandon, but the good and sturdy door of the factory managed to survive the assault.

In the meantime members of the Japanese Naval Landing Party arrived on the scene. A few minutes later a riot van also arrived, with Detective-Sergeants W. G. Stevens and H. Bretherton and Sergeant F. W. Thatcher leading a contingent of armed policemen.

By this time, the surging crowd had dispersed. In a nearby alley, however, a Japanese sentry tackled a gang of some 29 men. During the skirmish, the sentry resorted to using his bayonet, stabbing a man in the back.

Britain Says 'No'

(*Continued from page 244*)

the country, they will have no further need for extraterritoriality or concessions. On the other hand, His Majesty's Government would recall that they undertook and nearly completed negotiations with the Chinese Government in 1931 for the abrogation of British extra-territorial rights. The negotiations were suspended by the Chinese Government in consequence of disturbed conditions following the seizure of Manchuria by the Japanese forces in that year, but His Majesty's Government have always been ready to resume negotiations at a suitable time and are prepared to discuss this and other similar questions with a fully independent Chinese Government when peace has been restored.

"In conclusion, I am to state that if, as is possible, His Majesty's Government have in any way misinterpreted the intentions of the Japanese Government they feel it is because of the ambiguity wherewith those intentions have so far been expressed and they would welcome a more precise and detailed exposition of the Japanese conditions for terminating the hostilities and of Japanese policy towards China."

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Jan. 1.—Emergency joint session of Central Executive and Supervisory Committees of the Kuomintang expelled Wang Ching-wei from the Party permanently and dismissed him from all posts. The session issued a statement addressed to the nation, vigorously denouncing Wang for his "peace movement" as a violation of Party discipline endangering the State. The statement re-affirmed the determination of the Kuomintang and the Government to continue the war of resistance. Gen. Chiang Kai-shek presided at the session.

Wang's "peace message" dated Dec. 29 was released in Hongkong on Dec. 30 by Lin Peh-sen, close associate of Wang. Chungking circles declared that Wang had always been in favor of compromise with Japan, but expressed surprise that he should conduct a secret peace intrigue with the Japanese at this juncture, when the war and the international situation was developing in favor of China.

Tokyo press featured Wang's "peace statement," but declined to comment on it. Some papers asserted that Wang had misrepresented the Konoye statement on several vital points.

Chinese circles in London regretted Wang's peace message; no compromise with Japan viewed possible.

Chinese press in Shanghai unanimously denounced the Wang statement as "the first suicide news of the Year," and "utterances of a madman."

The National Government issued a mandate, ordering arrest and punishment of all persons participating in puppet regimes established by the Japanese, as traitors.

Jan. 1.—Gen. S. Hata, Commander-in-Chief of Japanese Forces in Central China, recalled to Japan, will relinquish his command shorthy. Gen. Hata alleged to have been wounded on the Yochow front.

Jan. 1.—New Kwangtung Provincial Government inaugurated with Gen. Li Han-hun as Chairman. Gen Li replaced Gen. Wu Te-chen who has been transfered to another post in the Central Government.

Newly-created Hsikang (formerly known as Outer Tibet) Provincial Government also inaugurated at Tatsienlu with Gen. Liu Wen-hui as Chairman.

Jan. 1.—Many Shanghai bankers awarded decorations by National Government. K. P. Chen, General-Manager of Shanghai Commercial & Savings Bank, heads the list of honors.

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Jan. 2.—Chungking and Shanghai press unanimously approved action by the Kuomintang and the National Government, dismissing Wang Ching-wei from all his posts. One Shanghai paper said that Wang's dismissal "reduced him to a wandering ghost."

Chou En-lai, prominent Communist leader, declared at Chungking that Wang Ching-wei had always been a "quitter." Chou revealed that Wang had been secretly in contact with the Japanese and Wang's agent visited Tokyo at least once. Chou declared that Wang's movement had nothing to do with Gen. Chiang Kai-shek, the Kuominting or the National Government, and that China would continue the war of resistance under leadership of Gen. Chiang Kai-shek. Present whereabouts of Wang Ching-wei a mystery. He was reported to be "stuck" at Hanoi without passport or papers. Other reports stated that he had gone to Hongkong en route to Europe.

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Jan. 3.—Gen. Pai Chung-hsi, Commander-in-Chief of Chinese Forces in Southwest provinces, declared at Kweilin that the Chinese Army was fully prepared to meet a possible Japanese landing in Tongking Bay. All roads between Pakhoi and the interior had been completely destroyed and the populace and all foodstuffs along the roads removed inland.

Gen. Hsueh Yoh, Commander-in-Chief of Chinese Forces in Hunan Area, declared that the Japanese were not strong enough to stage a large-scale offensive in Yangtsze Valley, but believed as probable that the Japanese might launch an attack on Sian, in northwest, and on Kwangsi, in southwest.

Jan. 3.—National Government said strengthened by dismissal of Wang Ching-wei, according to diplomatic circles in Chungking. "Wang is better out of the Government than in it," one observer said, "for he was a source of constant weakness and uncertainty. The prompt action of the Government in disclaiming connection with his maneuvers has done much to reassure the people."

Central Publicity Department issued statement, reiterating the Government's determination to pursue its fixed national policy of continued resistance to Japanese invasion, despite Wang Ching-wei's defection. Wang's action said entirely personal and had nothing to do with the Government.

Chungking flooded with messages from various parts of the country, expressing approval of Government's action in dismissing Wang Ching-wei, according to reports from Chungking.

Government considering new appointees to fill the posts vacated by Wang and his close associates.

Jan. 3.—Lt.-Gen. Otozo Yamada appointed Commander-in-Chief of Japanese Forces in Central China, succeeding Gen. S. Hata, recalled. Gen Hata arrived at Moiji from Shanghai this afternoon en route to Tokyo.

Jan. 3.—Yoshiaki Miura, new Japanese Consul-General at Shanghai, arrived to assume his post. Prior to his transfer, he was Consul-General at Tsingtao.

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Jan. 4.—Japanese cabinet under premiership of Prince Konoye resigned: Baron K. Hiranuma, 73-year-old President of the Privy Council, appointed new premier. War, Navy and Foreign Ministers in Konoye cabinet expected to retain their posts. Prince Konoye declared that Japan's policy for dealing with China conflict was "immovable." His resignation, he explained, was caused by a desire to "renovate" the people's mind. The Konoye Cabinet was formed in June, 1937.

Resignation of the Konoye Cabinet amounted to an open admission of Japan's failure in China during the past 18 months of hostilities, declared spokesman of Chinese Government at Chungking. No change in Japan's policy towards China expected. Instead, the spokesman said, it was probable that "Japan might intensify her military operations in an attempt to bring the struggle to an early conclusion."

Chungking circles believed resignation of Konoye Cabinet caused by following factors: 1. Prince Konoye held himself personally responsible for the failure of his statement of Dec. 22 to produce the expected results; and 2. The Japanese political parties were making desperate and final bid for existence against Fascism pursued by military elements.

Jan. 4.—Heads and Masters of various colleges of Oxford University addressed letter of homage and sympathy to Gen. and Mme. Chiang Kai-shek. Letter expressed profound admiration for Chinese resistance.

Jan. 4.—Peiping "Provisional Government" issued order, banning circulation of bank notes issued by the National Government after March 9. Notes of the "Federal Reserve Bank" would be the only legal tender for North China, the order declared.

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Jan. 5.—Gen. Lung Yun, Governor of Yunnan, praised at Chungking for frustrating attempted **coup d'etat** of Wang Ching-wei. It was revealed that before his flight to Hanoi, Wang urged Gen. Lung to revolt in order to force the Government to accept his peace proposal, but Gen. Lung flatly rejected Wang's ideas and immediately reported to Gen. Chiang Kai-shek.

Quo Tai-chi, Chinese Ambassador at London and close friend of Wang Ching-wei, cabled Wang, urging him to retract his peace proposals. Quo said that the whole country was behind Gen. Chiang Kai-shek.

Gen. Li Tsung-jen, influential Kwangsi leader, and many other military commanders, wired the National Government, denouncing Wang Ching-wei and demanding his punishment.

Jan. 5.—Baron K. Hiranuma, new Japanese premier, declared in his first statement that he would continue the war policy. He said, "Japan will concentrate her total national power on the attainment of the objectives of the campaign in China in accordance with the policies already established." He urged Japanese people to take concerted action to overcome the present unusually difficult situation, with which Japan is facing.

The Army presented Premier Hiranuma with seven demands, among which were complete adherence by the new Government to terms of the statement made by Prince Konoye on Dec. 22, expansion of armaments, strengthening of Japan's collaboration with Germany and Italy, strengthening of national mobilization program.

Chinese press at Chungking decribes passing of the Konoye cabinet as the end of liberalism in Japan. The new premier designated as "father of Japanese Fascism."

London newspapers refer to resignation of the Konoye Cabinet with such headlines as, "Fascism Defeats Japanese Premier." Japanese circles in London regret Prince Konoye's resignation and feel disappointed as the failure of his peace proposal to China. Baron Hiranuma described as ultra-Nationalist and of the extremist type, unpopular in Japan.

Jan. 5.—Two Japanese air planes dropped over Shanghai thousands of handbills, alleging that Chinese ambassadors in Washington, London and Paris had secretly cabled National Government, urging the acceptance of Wang Ching-wei's peace proposals.

Japanese allegations officially denied in Chungking.

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Jan. 6.—Five Japanese columns in Shansi crossed the Fen River early in December, in an attempt to push westward towards the Yellow River, but operations were halted because of heavy snowfall, according to Chinese report received at Chungking from Shansi.

Jan. 6.—His intention to pursue the policy adopted by the Imperial Conference on November 30 for adjusting Sino-Japanese relations, as well as his determination to pay full respect to the

Constitution and to parliamentary government, were emphasized by the new Premier, Baron Hiranuma, in an interview he granted to the press last night after the first meeting of his Cabinet.

Jan. 6.—Possible economic action in co-operation with the United States against Japan said discussed by British Premier Neville Chamberlain and Foreign Secretary Lord Halifax yeesterday afternoon, according to **Havas** report from London. Sir John Simon, Chancellor of the Exchequer, reported opposing economic reprisals against Japan in talk with Premier Chamberlain. The London **Financial** News urged use of economic weapon against Japan for the defence of British interests in China.

Jan. 6.—Chinese Embassy in London issued statement, denying Japanese reports that Chinese Ambassadors in London, Washington and Paris had cabled Gen. Chiang Kai-shek, urging him to accept the peace proposals made by Wang Ching-wi.

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Jan. 7.—Severe fighting reported going on in West Shansi, where the Japanese are attacking Chinese positions at two points on Yellow River. Japanese troops in east Honan pushing westward with the intention of crossing the Chialu River for the purpose of threatening Chinese positions between Sinyang and Chengchow, on Peiping-Hankow Railway.

Jan. 7.—The festive atmosphere of Japanese Garrison at Hangchow on the New Year Holidays rudely dissipated by surprise Chinese attacks. Bulk of 63rd Chinese Division crossed the Chientang River at a point, 15 kilometers southwest of Hangchow and launched a concerted attack on the Chekiang capital with other Chinese units from the West and the Southwest. Severe fighting lasted for several days, according to Japanese report.

Jan. 7.—Gen. Peng Teh-huai, deputy Commander-in-Chief of the 8th Route Army, who visited Chungking for the past several days to confer with Chinese High Command, left Chungking on way back to his post in northern Shensi.

Jan. 7.—O. K. Yui, former Mayor of Greater Shanghai Municipality, reported to be serving as Secretary-General of Chinese Army Headquarters in the Fourth War District, in Chekiang-Kiangsu-Anhwei provinces.

Jan. 7.—Gen. Chiang Kai-shek declared that since his arrival at Chungking, Wang Ching-wei never made any communication to him regarding his intention to propose peace negotiations with Japan. Gen. Chiang said the military and diplomatic situation this year more favorable to China than it was last year. He urged overseas Chinese to continue to assist the government in prosecuting the campaign of prolonged resistance.

Jan. 7.—New war loan, amounting to Y.400,000.000, issued by the Japanese Government.

N.E.I. Papers Indignant Over New Navy Bill

Great indignation is being expressed in Netherlands Indies newspapers over a new Bill brought forward in Holland to determine the division of expenses of the Netherlands Indies Navy, a recent *Reuter* report from Singapore stated.

Although the Netherlands Indies contributes about 30 per cent of the naval expenditure in the Indies, it has no share in the control of naval matters. Holland contributes nothing to Army expenditure in the Indies. This also is criticised.

The Netherlands Indies is asking for a minimum of six cruisers, but it is not expected this number will be approved by Holland. The Netherlands Indies already has three cruisers, as well as other vessels, including submarines.

Who's Who in China

Hsu Hsiao-chu, business man; born at Shou-hsien, Anhwei, 1899; B.A. Fuhtan University, Shanghai, 1922; taught in Soochow between 1922 and 1928, during which period he was connected with the Tsui Ying Middle School and the Kiangsu Provincial Second Agricultural College as dean and instructor respectively; entered business in Shanghai in 1928 and joined the Great Eastern Dispensary as chief of Social Intercourse section; later, he was successively promoted chief of the Business Department, assistant manager and deputy manager; he is now Director and General Manager of the company; concurrently, he holds the following positions: Director, the Kung Yih Glass Works, Ltd., Shanghai; committee member, Shanghai Municipal Council; member and chief of the Commercial Museum of the Shanghai General Chamber of Commerce; member, People's Economic Reconstruction Campaign Committee, Shanghai; Chairman, the National Druggists' Association of China; member, executive committee, the National Labor Union of China; member, standing committee, National Association of Manufacturers; member, supervisory committee, the Druggists' Association of Shanghai; Director, Shanghai Infectious Hospital; Director, Tsui Ying Middle School, Soochow and William's College, Shanghai; member, executive committee, the Kiangsu Provincial Association of Manufacturers; member, Board of Directors, Shanghai Refugee Relief Association; in addition, he is interested in many other business and social activities; address: The Great Eastern Dispensary, 851 Peking Road, Shanghai.

許 曉 初
Hsu Hsiao-chu

Motor Car Assembly Plant Opened in Hanoi

To meet the acute shortage of motor vehicles in China, a motorcar assembly plant under Chinese ownership and operation, has been established in Hanoi, on the site of a former market, according to a *Domei* report from the Indo-China port. Large numbers of Chinese workers have been brought to Hanoi from China. The plant has already been functioning two weeks turning out a large number of vehicles, it was reported. Operating on contracts covering 3,000 cars each, a local business concern is supplying materials and parts to the plant. The completed cars are being sent to Kwangsi province for further distribution.

What About Korea?

(*Continued from page 241*)

Chinese and Korean comrades be prepared to face the crisis with greater fortitude and patience, and with united mind and action, to fight for the final victory. Members of the Korean People's Party will follow loyally the leadership of Generalissimo Chiang Kai-shek, to cooperate with Chinese for the purpose of defeating Japan, restoring the Korean nation, for justice and for peace."

Rigid Censorship

What is happening in Korea? An efficient, all-pervading system of Japanese censorship prevents news from getting to the outer world, although, because of the fact that Korea's northern boundary is contiguous to the frontier of the Soviet Maritime Province, items of information come occasionally from Soviet sources to indicate that the colony is far from being the peaceful elysium depicted by Japanese propagandists. In the Chientao border region groups of anti-Japanese volunteers have been active since long before the "Manchurian incident." Japanese "mopping-up" expeditions are frequent.

In the Soviet Far East there are 200,000 Koreans who are permitted to retain their national language and develop their own culture, whereas just across the border their language and culture are stamped upon and suppressed by the Japanese overlords. Terror and frightfulness, of which the Chinese people have been having more than a casual taste, are the lot of the inhabitants of Korea. And, since the territory is simply a field for Japanese colonial plunder, the mass of the population have been reduced to that state of beggary and servitude which is the fate of all colonial slaves. No, the Koreans, even though now made the "blood brothers" of Japan, have no more love for their conquerors than they have shown hitherto. Only gullible victims of Japanese propaganda will be persuaded to the contrary.

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Pucheng	Chengchow	*Wanhsien*	Changsha
Santuau	Kaifeng (Nanyang)	Ipin	Changteh
Kulangsu	*LOYANG*	Yaan	*Hengyang*
CANTON	Sian	*Kiangtsing*	*Lingling*

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA AND HONGKONG

Men and Events

Shinsaku Asado, manager of the Shanghai branch of the Yokohama Specie Bank, has been appointed manager of the branch in Osaka.

•

Pedro Leao Velloso, Brazilian Ambassador to Japan, has been transferred to Rome and will assume his new post in March.

•

Adolf A. Berle, Jr., Assistant Secretary of State, has announced his intention of giving up political life in order to resume his previous position of Professor of Political Economics at Columbia University. Mr. Berle tendered his resignation in August, 1938 but President Roosevelt asked him to remain in office due to the European crisis. Mr. Berle was attached to the U. S. Delegation to the recent Pan-American Conference at Lima, Peru.

•

The Annual Meeting of the Royal Asiatic Society was held on January 19 in the Wu Lien Teh Hall, 20 Museum Road, when reports by officers and a statement of accounts up to December 31, 1938, was presented for adoption, and officers for the present year elected.

•

Lady Minnie Doris Grayburn was granted a divorce on Jan. 13 from her husband Sir Vandeleur Molyneux Greyburn, who is chief manager of the Hongkong and Shanghai Banking Corporation. The suit was not defended and was based on the charge of desertion.

•

Kensuke Horinouchi, newly appointed Japanese Ambassador to Washington, made his first official call on Secretary of State Cordell Hull on Jan. 12. According to report from Tokyo, Mr. Horinouchi is a well known Christian and for several years has been connected with the Oxford Movement.

•

The *Sin Wan Pao* alleged (Jan. 12) that the Japanese Navy has killed 10,092 Chinese fishermen along the Kwangtung coast since Dec. 9, 1937 when the Navy started its activities in the vicinity of Hongkong. Fishing junks destroyed numbered 628 valued at more than $8,000,000.

•

At the meeting of the S.M.C. held on January 11, it was agreed to suggest to the Consular Body that the Municipal Election dates for 1939 be fixed for Wednesday and Thursday, April 12 and 13; and that the Annual Meeting of Ratepayers be held on Wednesday, April 19, at the Grand Theater, commencing at 2.20 p.m.

•

Baron de Bassompierre, Belgian Ambassador to Japan and dean of the Diplomatic Corps in Tokyo, is returning home in February after 18 years service in Japan. The Baron was quoted in the *Yomiuri* as saying he intended to devote the remainder of his life in making foreigners better acquainted with Japanese culture and history.

•

Some 1,500 Americans who had served in various international brigades of the Republican Government in Spain, were refused admission to France when they attempted to cross the border on Jan. 13. According to a report from Paris the French authorities were severely criticized for the action by several French newspapers.

Major-General A. E. Grasett, D. S. O., M. C., who has been in Shanghai for some time inspecting the British forces here, departed on Saturday, Jan. 14 for Tientsin aboard the Naval escort Grimsby.

•

According to the *Sin Wan Pao* the American shipping concern, William Hunt and Company has been granted a permit by the National Government at Chungking to operate five ships between Shanghai and the ports of Chekiang province.

•

Sir Hughe Knatchbull-Hugessen, formerly British Ambassador to China, has been appointed Ambassador to Turkey, in succession to Sir Percy Loraine who was transferred to Rome. Sir Hughe was seriously wounded in August, 1937 when the car in which he was traveling from Nanking to Shanghai was bombed and machine-gunned by Japanese military aviators. After several weeks in the Shanghai Country Hospital he made an extended cruise of the Netherlands Indies, later returning to England. After the Japanese Government refused to apologize for the incident, the British Government made a grant of £5,000 to he wounded diplomat.

A large number of local Japanese officials and others who attended a luncheon at the Park Hotel on Friday, Jan. 13 were disappointed when Dr. Yotaro Sugimura, the guest of honor was unable to attend. Dr. Sugimura became ill and was operated on for intestinal trouble in Paris but since he did not recover his health, decided to return to Japan for further treatment. He was unable to leave the ship while here. He was accompanied by his wife and daughter. Masayuki Tani, former Minister-at-Large stationed in Shanghai is scheduled for the Paris post.

•

The U. S. Consulate-General at Shanghai has received two wooden cases and the sum of Y.400 from the Japanese authorities at Bokotu Island in the Pescadores group, off the southest coast of Formosa. The cases contained five cameras which belonged to Capt. Nichols of the crew of the junk Mei-Ling which attempted to cross the Pacific in order to be present at the opening of the Exposition in San Francisco. The junk was wrecked in a storm but the Japanese managed to retrieve sufficient of the wreckage to dispose at public auction, netting the sum of Y.400.

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The Tokyo *Chugai* published a dispatch from New York on Jan. 8 stating that the Japanese were negotiating for the purchase of the old Holland-America 24,149-ton 31-year old liner Rotterdam.

*

The recently completed Osaka airport was opened on Jan. 17. It replaces the old air-port which finally was abandoned as a death-trap for aviators due to frequent accidents resulting from collisions with electric power lines and factory chimneys.

*

The Ministry of Education at Tokyo has announced the selection of 154 students from various parts of Japan who will represent the country at the Japan-Philippines Students Conference, scheduled to be held at Waseda University in March.

*

Ken Tsurumi, Consul-General at Harbin, has been appointed First Secretary of Embassy and Consul at Shanghai. He is a brother of Yusuke Tsurumi, well known member of the Diet. Previously he served as Consul at Portland, Oregon.

*

A further section of telephone cable, about 750-feet in length and valued at $1,000, belonging to the Shanghai Telephone Company, was stolen on Monday of this week, on McLeod Road, which is located in Japanese-controlled territory. Several similar thefts of this character, all in territory controlled by the Japanese Army, have occurred recently.

*

A farewell luncheon in honor of F. L. Robbins will be given at the Shanghai Club on Jan. 28. Mr. Robbins is planning to depart from Shanghai on Feb. 1. Since a large number is expected to attend, those desiring reservations have been asked to communicate with G. M. Neal, as soon as convenient. Mr. Neal's office is at Andersen Meyer and Company, 43 Yuen Ming Yuen Road.

*

Yujiro Yoshida, who helped create the puppet "Federal" Reserve Bank in North China, which has issued some $150,000,000 in unsecured notes, has been appointed an official of the Yokohama Specie Bank at Tokyo. Mr. Yoshida will be succeeded at Tientsin by Sadao Hagiwara, assistant manager of the Mukden branch of the Yokohama Specie Bank.

*

Fu Siao-en, Mayor of the local Ta-Tao Government, was among the 300 guests who attended a cocktail party given by the Commander and officers of the Italian warship Lepanto on Monday of this week at the Farron Cafe on Great Western Road, adjacent to the Columbia Country Club. Invitations were also issued to officials of the International Settlement and French Concession and local military and naval commanders.

*

More than 150 members and friends of Community Church attended the semi-annual dinner and business meeting of the organization held at the church on Wednesday evening, Jan. 11. Dr. John Earl Baker, chairman of the board presided. The treasurer, Truman F. McCrea, reported that all budgeted expenses had been paid and that the church is now free of debt, the final contribution of U. S. $400 having been received from the estate of Dr. Luccock's mother. Mrs. C. L. Boynton, chairman of the welfare committee, reported the expenditure of $5,500 through the benevolent fund. The new budget of the church calls for an expenditure of $30,135 in the current year. Other reports were made by the secretary, Irving S. Brown and a carved camphor-wood chest was presented to the Pastor, the Rev. J. P. Minter and Mrs. Minter.

Walter A. Mitchell, an American engineer who has resided in Manchuria for many years, has recently organized a company known as the American Development Corporation, Fed. Inc., which will engage in the engineering business. Mr. Mitchell in recent years has served as correspondent for *Reuters* and other news services in Mukden His office here is located at 627 Nanking Road.

*

The Japanese authorities in Manchuria have announced their intention of opening an office in Shanghai which will be occupied by one Wang Ching-chang, who will be known as the Manchukuo Commercial Attache. The office will be located in the Hongkew area. Mr. Wang was previously councillor of the General Affairs Board of Manchukuo at Hsinking.

*

Funeral services were held on Monday, Jan. 16, at the funeral chapel on Kiaochow Road, for Mrs. Luther McLean Jee, wife of Luther Jee, who died on Saturday, Jan. 14 at the Dah Wah Hospital. She was 47 years old and is survived by Mr. Jee and two children, Shirling and Eileen. The funeral services were conducted by the Rev. Edwin Marx of Nanking, assisted by Darwin Utter, a close friend of the family.

*

According to the *Shun Pao* the first through train from Kinhua station, Chekiang Province, to Kweilin, Kwangsi province, was operated over the completed line on Jan. 13. Since Kinhwa is at the head of navigation on the Wu-Kiang River, connecting with Wenchow, it actually brought Kwangsi province within 4 days of the coast on the China sea and within 6 days of Shanghai. According to the report through train service will be operated on Mondays and Fridays.

*

The Japanese military authorities have announced the appointment of Major-General Kumakichi Harada as chief adviser to the Reformed Government of China at Nanking. Maj.-Gen. Harada celebrated his appointment by giving a cocktail party for local Japanese military and naval officers and leaders of the Reformed Government, at the Japanese Club on Boone Road in Hongkew last Sunday afternoon. It was announced at the cocktail party that Maj.-Gen. Harada, while serving as an adviser at Nanking, would nevertheless retain his present position as director of the headquarters department of the Special Service Section of the Japanese Army.

*

Some 60 friends of H. E. Arnhold were guests at his 60th birthday anniversary, held at the Cathay Hotel on Monday, Jan. 16. The host was Ellis Hayim, who delivered an address pointing out that Mr. Arnhold was one of the oldest residents of Shanghai. He had served on the committee of the British Chamber of Commerce from 1918 to 1937 and in 1923 he served as chairman of the organization. The prosperity of the Chamber had largely been due to Mr. Arnhold's efforts in collecting Tls. 100,000, which had been permitted to accumulate until it now provided an endowment fund exceeding $200,000. Mr. Arnhold has personally raised the sum of Tls. 13,360 to serve as a reserve in case the dues from members were insufficient to pay running expenses. Mr. Arnhold had also served on the Municipal Council for seven years and on four occasions had been chairman. While chairman he had directed the sale of the Electricity Department and the Telephone Company to American interests. He is a director of several local British companies, including Arnhold and Company, a subsidiary of the Sassoon interests.

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The Japanese authorities at Harbin have issued regulations compelling all priests and members of all churches and shrines to register otherwise they will not be permitted to continue to function.

*

An exhibition of paintings (Chinese ink and oils) by Prof. Liu Hai-su, internationally-known Chinese painter, is now being held in the art gallery of the Sun Company department store, Yu Ya Ching and Nanking Roads, from 9 a.m. to 7 p.m. daily. The exhibition opened last Saturday and will close after Monday, Jan. 23.

*

The funeral service for Mrs. Clara Katz was held at the Baikal Road chapel and cemetery on Thursday, Jan. 12. Mrs. Katz died at the Country Hospital on Jan. 11 at the age of 74, She was the mother of the late James Benjamin Katz, Mrs. Lily Heimendinger and Mrs. Dorothy Hertz. The funeral service was said by Rabbi Ashkenazi.

*

Prof. Eijiro Hawai of the Department of Economics of Tokyo Imperial University, who was arrested some time ago for writing books which "disturbed public peace and order," is shortly to be brought to trial, according to *Domei* report from Tokyo. Prof. Hawai wrote four books which are now being inspected, the latest being issued in 1937. They were all banned from circulation on Oct. 5, 1937. Prof. Hawai has been under arrest since that time.

*

Dr. Ernest Niekisch, a so-called "radical" writer and former Communist, was condemned to imprisonment and hard labor for life, according to *Havas* message from Berlin on Jan. 10. An accomplice named Dreschel received three and a half years hard labor and another named Kroegern received a prison sentence of 21 months. Dr. Niekisch was charged with an attempt to form a new political party. A German report alleged that the Court's "leniency" proved that the case was not sensational.

Fire Destroys "Friendship" Motion Picture Scheme

The first attempt of Japanese interests to stage an elaborate movie depicting "friendship" between Japan-China-Manchukuo ended disastrously Jan. 13 when a fire broke out on the lot of the Star Motion Picture Company, located just outside the French Concession on the Minghong Road. The Star Motion Picture Company, one of China's most successful cinema projects, formerly used the premises on the Minghong Road for staging some of its best pictures. Among the company's chief attractions was Miss Butterfly Wu, popularly known as the Chinese movie queen. The Japanese for some time have been trying to induce Chinese movie interests to join the Japan-China-Manchukuo film company, but the Star Company allegedly refused. The area where the Star studios were located has been controlled by the Japanese Army since the occupation of Nantao in 1937.

As there was no water supply in that area the French Fire Department attempted to direct a stream on the fire, but were prevented from extinguishing the blaze by some 20 Japanese soldiers who took up positions along Siccawei Creek and according to eye-witnesses, even cocked their rifles and aimed them at the French firemen in threatening manner. Not wishing to create an incident the French discontinued their attempt to extinguish the blaze.

Frank Poletti of P. O. Kidnapped

F. Poletti, who was kidnapped by bandits in the vicinity of Peiping on Sunday, Jan. 8, was still missing according to report from Peiping this week. The Peiping Provisional Government paid the ransom which was demanded by the kidnappers on Wednesday, Jan. 11, according to the report, which alleged that political motives were involved in the affair. Mr. Poletti served as Chinese Postal Commissioner in Manchuria many years and was in charge at Mukden when the Japanese Army seized that city in the fall of 1931.

Employment in Shanghai Lags Behind Pre War

Of the 800,000 workers employed in industrial plants in the Shanghai International Settlement and French Concession prior to the Sino-Japanese hostilities, only 230,000 now have jobs, according to a report in the *Chinese-American Daily News* on Jan. 12.

Industrial development in Shanghai, especially in the Western districts, continued during December, 1938, according to the report of the Industrial Section of the Shanghai Municipal Council, which discloses 527 new applications for electric power connections during that month. This figure compares with 405 for November and 443 for October. Most of the enterprises, however, are small-scale, the report states.

The general index of the cost of living of Shanghai workers for December, with the year 1926 as 100, stood at 154.93, an increase of 41.48 per cent as compared with July, 1937. In the group indices, food and miscellaneous items rose 0.24 and 0.44 per cent in December as compared with the preceding month, while clothing, fuel and light decreased 2.21 and 0.45 per cent, respectively.

Litvinov Said Losing Confidence of Stalin

That M. Maxim Litvinov, Soviet Commissar for Foreign Affairs, has failed to appear at Geneva despite the unsettled state of international relations, is regarded by the conservative *Le Jour* as a proof that he no longer possesses the complete confidence of Dictator Stalin, says a *Transocean* message from Paris.

The new chief of the Soviet secret police, Lavrenti Beria, says the French newspaper, is a declared opponent of Litvinov and has already weakened the latter's position by divulging the contents of some letters in which the Foreign Commissar criticized Stalin's actions.

Storm Troops Make Appearance in Memel

Nazi Storm Troop detachments were organized throughout the Memel territory this week. They have been established on the same lines as those existing in Germany, *Transocean* reported. Each municipal district will have a detachment of between 200 and 400 troopers. Eight detachments have been established in the city of Memel as well as two detachments of marine Storm Troopers and two detachments whose members are over 35 years of age.

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New Books of Interest in the Far East

View of Europe

INSANITY FAIR—By Douglas Reed. Jonathan Cape. London. 425 pp. 1938. 10/6d.

Douglas Reed is the latest recruit to the small army of newspaper correspondents who have taken time off reporting to tell the world of themselves and their views on men and events.

In a way, *Insanity Fair* is the most vital book ever to come from a newspaperman's typewriter. It is a work of a keen and penetrating mind, tempered by the white heat of passion. As much of what Mr. Reed lauds and flays is based on feeling as on dispassionate observation. This possibly explains why the book is so powerful an indictment of post-bellum dictatorships.

Mr. Reed's book deals primarily with the advent of the Nazis to power and the subsequent extension of German influence and terror over a large part of Europe. That he is well qualified to pass judgment on the events of the past decade cannot be doubted. Having spent seven years in Berlin as a correspondent for a great English daily, he had also been intimately acquainted with conditions in Russia, Yugoslavia, Bulgaria, Rumania, Greece, Czechoslovakia, Turkey and Austria. On all of these—and especially Czechoslovakia and Austria—he contributes penetrating and at times prophetic chapters.

The author seeks to prove three premises. The first of these is that Germany has never been defeated in war, since no battles were fought on her territory, and that she has been in the past 20 years girding herself for exactly the same campaign of world conquest which led to the outbreak of the World War.

The second premise—with which many may not agree—is that Nazi Germany desires nothing that Russia has, but does have designs on Britain's possessions. The Reich, Mr. Reed says, is preparing to fight Britain. That is the key to the matter," Mr. Reed declares. " Russia does not want anything that England has. Germany does. She wants British colonies, to begin with. Russia has too many troubles, too many problems, too many people, too much territory. She can only lose by war. Germany claims that she has too little territory for too many people; her avowed aim is territorial expansion."

From this conclusion, Mr. Reed draws his third premise—Britain must join hands with Russia to check the German menace, before Hitler, the crafty politician, shakes hands with Moscow.

" On the European chessboard," he says, " there are two king-pieces—Germany and Russia. Bismarck knew that nothing could stop Germany in Europe as long as she had her re-insurance with Russia. Kaiser Wilhelm, who put Bismarck overboard, forgot it and paid the penalty, for Germany lost the World War when the Russians came down on her rear in East Prussia in 1914 and made her pause just as she was within reach of Paris.

" If you have Russia dangling about in the air and liable to come down on either side at any moment, peace in Europe is as unstable as a blanc mange.

" If Germany and Russia come together, peace is finished, and I for one should take the first boat to the Bahamas."

In the face of the German threat and the steady Nazi advance through the Balkans, the British policy, Mr. Reed declares, " often looked like the policy of the jelly-fish, which is to be trodden on and stings faintly on expiring, or like that of the Gadarene swine, which is to hope that you will stop running."

Mr. Reed's conclusion is frankly put forth: " Do not think, you who read this book, that I am an enemy of National Socialism because of what it has done in Germany and will do in Austria. As an outsider I have watched these things and described them in this book and the picture is not a pleasant one, because it looks ugly to these eyes of mine . . . But that is the business of the Germans and Austrians, and if they like National Socialism that is no concern of mine. I am an enemy of National Socialism—and I want to make this clear—only because I know that its ultimate meaning and aim is hatred of England and the destruction of British world power, and although I think England is a wretchedly run country in many ways I am an Englishman and want to see these things put right by Englishmen."

All in all, Mr. Reed's is an entrancing book—possibly not on a par with Sheean's *Personal History*—but certainly of the same high standard as Whittaker's " And Fear Came " or Lyons' " Assignment in Utopia." As a striking picture of Nazi terror in Germany and elsewhere, as a historical record of Germany, 1927-34, as a brilliant piece of writing this book is heartily recommended.

M. G.

The Armaments Trade

STATISTICAL YEAR-BOOK OF THE TRADE IN ARMS AND AMMUNITION, 1938. Published by the League of Nations. 340 pp. Price U.S.$3.00. Agents in Shanghai—The Commercial Press.

The League of Nations has just published a new edition of the *Statistical Year-Book of the Trade in Arms and Ammunition,* which is now in its fourteenth year of publication. This edition contains information concerning the imports and exports of arms, ammunition and implements of war of sixty countries and sixty-four colonies, protectorates and mandated territories. The chief object of the work is to give all possible information on the international trade in arms, ammunition and various implements intended for use in war. In its preparation, certain difficulties have had to be surmounted, especially those arising from the lack of a clear distinction between arms and ammunition intended for use in war and those intended for sport or personal defence. A further difficulty was caused by the fact that there is no uniform international system of classifying arms and ammunition.

The statistical information contained in the present edition covers in general a period of five years ending with 1937. The reader is thus able to follow the changes that have taken place in the international trade in arms and implements of war during the period covered.

T. A.

Tale of Aggression

THE CASE AGAINST JAPAN—by Charles R. Shepherd. Published by Daniel Ryerson, Inc., New York City. 240 pp. U. S. $2.50.

Although the publishers call this *the* book on the Sino-Japanese conflict, maintaining that it is the most powerful indictment of official Japan that has yet been given, their praises are not substantiated by careful reading of the volume. From the standpoint of presenting a host of facts of Japanese aggression on the Asiatic mainland since the anti-foreign riots in Seoul, Korea, in 1882, Mr. Shepherd does well. However, he has allowed his emotions to rule him too greatly, and thereby will fail to impress the serious reader or student of the Far Eastern problem.

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him will question his objectivity upon seeing such statements as: "shouts Japan's barbaric Premier," or "screams still another son of the Samurai," or "stupidly oblivious of."

Otherwise, there is presented a clear and simple resume of Japanese aggression in Korea, in Manchuria, in Shantung, in Shanghai and in North China. The author brings in all the high points, from the murder of Queen Min of Korea to the killing of the Japanese marines near Hungjao airfield. He traces the development of misunderstandings and animosities, and of Japanese official machinations "from one scene of intrigue and violence to another." Charging Japan with attempting to strangle China, he cites the wresting away of territory; the suppresion of patriotism by forcing changes in textbooks and in school curriculum; the attempt to ruin the country economically by a monstrous smuggling conspiracy; and the efforts to undermine the people morally by encouraging the sale and protecting the sellers of narcotics, all of which helped bring about the explosion of 1937.

Mr. Shepherd was for some years a teacher in schools in Canton, but since 1919 he has been engaged in social service work among Chinese in America. He made a tour of the interior provinces of China in 1936. His next visit will not be on a boat which calls at a Japan port. Nor will any copy of his book ever reach Japan!

M. V.

Reuter's World in Action

Valentine Williams, whose father was chief editor of *Reuters News Service* for many years, and who was himself connected with the well-known British news agency for a long period, has written an interesting book, *World in Action*, recently published by the Houghton Mifflin Company. In addition to his and his father's connection with the agency, his brother Douglas Williams was general manager in the United States and later chief editor in London. Two sisters were on the staff during the World War and two uncles were with the agency, one in Bombay and the other in the secretarial department.

Among the amusing stories in the book, according to a review in *Editor and Publisher*, was one about a new sub-editor in the London office who negligently tossed aside a cable from the United States with the scornful comment that Reuters certainly was not interested in President McKinley's hunting expeditions, especially when the dispatch cost five pence a word. An assistant picked up the message and read, "McKinley shot Buffalo." The new man in the London office did not know that Buffalo was a place as well as an animal.

Young Williams, who also served on Lord Northcliffe's *Daily Mail*, is also known as a writer of mystery novels, his first being *The Man with the Clubfoot*. The reviewer stated that while there had been a plethora of newspaper autobiographies, *World in Action* had charm and was extremely well written, "in fact is delightful and absorbing reading."

Australian Workers Hold Iron Shipment

A cargo of 20,000 tons of pig iron destined for Japan is being held up by waterside workers at Port Kembla, Australia, *Reuter* reported last week. Mr. Robert Gordon Menzies, attorney general and Commonwealth Minister of Industry, promised union leaders that the government would review its policy regarding the export of pig iron to aggressor nations provided the workers would agree to load the waiting shipment.

O.S.K. to Operate Japan-Somaliland Line

Establishing the first direct steamship link between Japan and Italian Somaliland, the O.S.K. freighter *Africa Maru* will sail from Osaka on Jan. 28 for Mogadiscio, where she is due on Feb. 22, company officials announced last week.

A New Year Resolution.

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